



MEDIUM TERM BUDGET

2011/12- 2013/14

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GLOSSARY OF TERMS AND ACRONYMS

Acronym

Budget Steering Committee : A strategic planning forum aimed at identifying key spending priorities for the municipality

Budget related policies : Policies of a municipality that affect or are affected by the budget.

CAPEX: Capital expenditure, spending on municipal assets such as land, buildings, roads, etc.

CPIX: Consumer price index excluding interest on mortgages

CPI: Consumer price index

GAAP: Generally Accepted Accounting Practice

COGTA: Cooperative Governance and Traditional Affairs

GRAP: Generally Recognised Accounting Practice

FBS: Free basic services

IDP: Integrated Development Plan, a strategic document detailing the City's medium term plan for development.

IGR: Intergovernmental relations

ICT: Information and communication technology

LED: Local economic development

MFMA: Municipal Financial Management Framework, Act 56 of 2003, legislation providing a framework for financial management in local government.

MIG: Municipal Infrastructure Grant

MSA: Municipal Systems Act, Act 32 of 2000.

MTB: Medium Term Budget, a three year financial plan of a municipality.

MTBPS: Medium Term Budget Policy Statement

NT: National Treasury of South Africa

OPEX: Operating expenditure, spending on the day to day operational activities such as salaries and wages, repairs and maintenance, general expenses.

SALGA: South African Local Government Association

SDBIP: Service Delivery and Budget Implementation Plan, a detailed plan containing quarterly performance targets and monthly budget estimates.

LIST OF VOTES

-  Mayoral Executive
-  Council General
-  Office of the Municipal Manager
-  Budget and Treasury
-  Corporate Services
-  Licensing and Traffic
-  Local Economic Development and Planning
-  Sports and Culture
-  Public Works
-  Cemeteries
-  Community hall and centres
-  Parks and Recreation
-  Library
-  Town Hall and Offices
-  Housing
-  Sanitation
-  Refuse Removal
-  Electricity
-  Water

PURPOSE

The main strategic outcomes of the budget are to ensure:

- ✚ Modernizing financial management and improving accountability.
- ✚ Compilation of three year budgets.
- ✚ Deepening and improving the budget preparation process, by involving the political leadership and community.
- ✚ Ensuring that the IDP and Budget are linked, and that the IDP takes account of budgetary resources, and contain proper capital and operational plans.
- ✚ Improving the in-year implementation of the budget.
- ✚ Improving the audit and performance reporting after the financial year has ended.

The purpose of this document is to submit the 2011/12 medium-term budget (MTB) consideration by Council and community consultation of on the proposed tariff increases, projects and service delivery programmes.

The budget was compiled within the framework of the MFMA, Circular No 51, 54 and 55 of the National Treasury and the New Municipal Budget Regulations.

Those Circulars provides instructions, guidance and information on crucial issues that municipalities need to consider when preparing their 2011-12 budgets.

On 17 April 2009 the Minister of Finance gazetted new Municipal Budgeting and Reporting Regulations on Government Notice no 393 of 2009. Final budget schedules and related formats were issued by the National Treasury in November 2009.

Kgetlengrivier Local Municipality is required to fully comply with the budget regulations as from 01 July 2011, that is, full compliance when the final budget is approved in June 2011.

PART 1



CHAPTER1: EXECUTIVE SUMMARY

CHAPTER1: EXECUTIVE SUMMARY

The application of sound financial management principles for the compilation of the local wide financial plan is essential and critical to ensure that the Local remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The Local business and service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, funds were transferred from low- to high-priority programmes so as to maintain sound financial stewardship. A critical review was also undertaken of expenditures on noncore and 'nice to have' items.

The municipality has undertaken various customer care initiatives to ensure the municipality truly involves all citizens in the process of ensuring a people lead government.

National Treasury's MFMA Circular No. 51, 54 and 55 were used to guide the compilation of the 2011/12 MTREF.

The main challenges experienced during the compilation of the 2011/12 MTREF can be summarised as follows:

- The ongoing difficulties in the national and local economy;
- Aging and poorly maintained water, roads and electricity bulk infrastructure;
- The need to re-priorities projects and expenditure within the existing resource envelope given the cash flow realities and the cash position of the municipality;
- Wage increases for municipal staff that continue to exceed consumer inflation, as well as the need to fill critical vacancies;
- Affordability of capital projects – the municipal allocation relating to infrastructure grant associated with capital investment has been withdrawn (Municipal Infrastructure Grant), thus limit the functions of the Local in relation to bulk infrastructure investment for the budget year 2011/12 MTREF and beyond; and
- Availability and/or affordable capital/borrowing.

The following budget principles and guidelines directly informed the compilation of the 2011/12 MTREF:

- The 2010/11 Adjustments Budget priorities and targets, as well as the base line allocations contained in that Adjustments Budget were adopted as the upper limits for the new baselines for the 2011/12 annual budget;
- Intermediate service level standards were used to inform the measurable objectives, targets and backlog eradication goals;
- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act;

CHAPTER 2: THE BUDGET

THE BUDGET

In view of the aforementioned, the following table is a consolidated overview of the proposed 2011/12 Medium-term Revenue and Expenditure Framework:

Table 1 Consolidated Overview of the 2011/12 MTREF

R thousand	Original Budget 2010/11 (R'000)	Budget Year 2011/12 (R'000)	Budget Year +1 2012/13 (R'000)	Budget Year +2 2013/14 (R'000)
Total Operating Revenue	84,154	101,117	112,698	126,986
Total Operating Expenditure	81,527	94,719	105,582	122,192
Surplus / (Deficit) for the year	2,627	6,398	7,115	4,794
Total Capital Expenditure	19,928	26,998	31,299	30,088

Total operating revenue has increased by 20 per cent or R16, 9 million for the 2011/12 financial year when compared to the 2010/11 original budget. For the two outer years, operational revenue will increase by 11 and 13 per cent respectively. Increase in electricity tariffs and grants are the main reasons for growth in the revenue budget.

Total operating expenditure for the 2011/12 financial year has been appropriated at R94,7 million and translates into a budgeted surplus of R6,3 million, when compared to the 2010/11 original budget, operational expenditure has increased by 16 per cent in the 2011/12 budget and continues to grow by 11 and 12 per cent for the 2012-13 and 2013-14 respectively. The growth could be attributed to bulk purchases, salaries and inflationary increases.

The operating surplus for the two outer years steadily increases to R7,1 million and then decrease to R4, 8 million. These surpluses will be used to fund capital expenditure to enhance infrastructure as well as plant machinery needed for service delivery.

The capital budget of R27 million for 2011/12. The capital programme amounts to R31,2 million in the 2012/13 financial year and R30 million in 2013/14 financial year. The most of the capital budget will be funded from grants (Municipal Infrastructure Grant and Provincial Infrastructure Grant) and own source revenue realized from savings in the operating revenue over MTREF.

Operating Revenue Framework

For Kgetlengrivier Local Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty.

The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to balancing expenditures against realistically anticipated revenues.

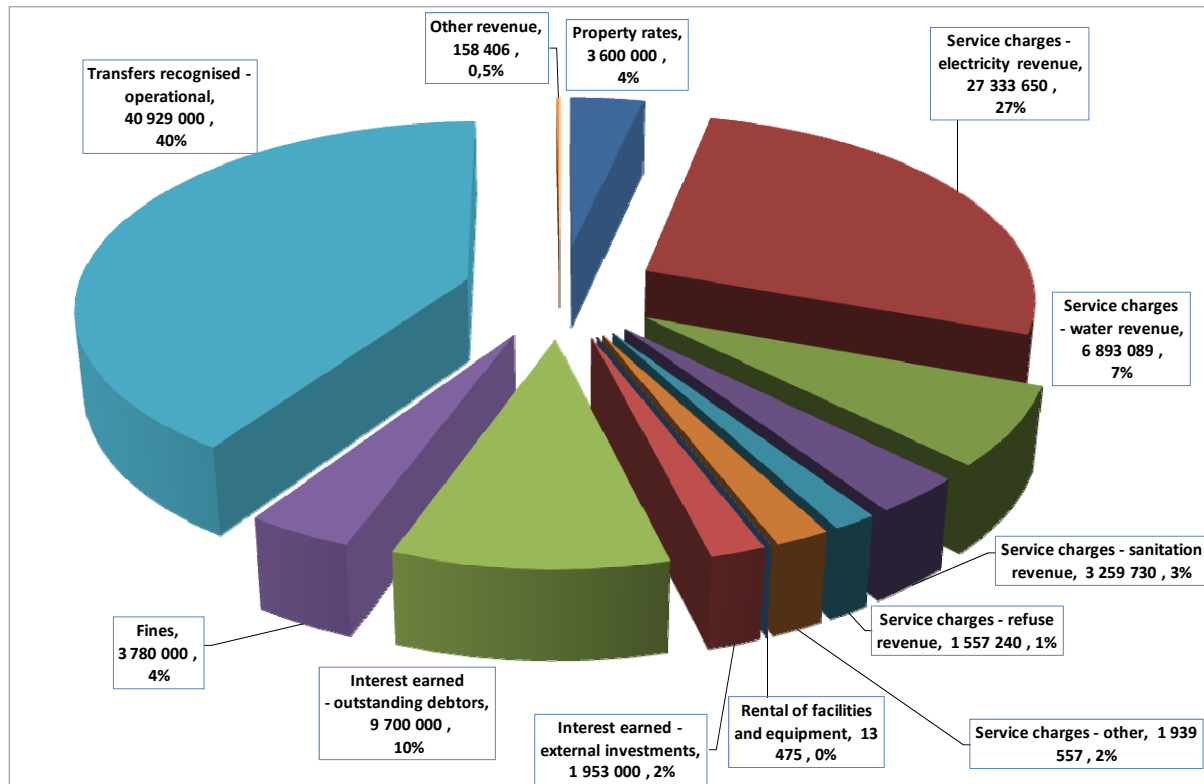
The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy;
- Growth in the and continued economic development;
- Efficient revenue management;
- Customer Survey and Data Purification Project;
- Continuous interim valuations of the properties
- Implementation of Debt Collection By-Laws

The following table is a summary of the 2011/12 MTREF (classified by main revenue source):

Table 2 Summary of revenue classified by main revenue source

Description	Current Year 2010/11		2011/12 Medium Term Revenue &		
	Original Budget	Adjusted Budget	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
Revenue By Source					
Property rates	2 600 000	3 600 000	3 600 000	3 600 000	3 600 000
Service charges - electricity revenue	19 710 850	22 710 850	27 333 650	33 323 346	40 627 173
Service charges - water revenue	5 213 000	5 573 000	6 893 089	7 237 743	7 599 630
Service charges - sanitation revenue	1 598 000	2 098 000	3 259 730	3 422 717	3 593 853
Service charges - refuse revenue	1 448 140	1 448 140	1 557 240	1 635 102	1 716 857
Service charges - other	8 363 210	4 543 210	1 939 557	2 036 534	2 138 361
Rental of facilities and equipment	11 520	14 050	13 475	14 148	14 866
Interest earned - external investm	1 508 000	2 708 000	1 953 000	2 050 650	2 153 183
Interest earned - outstanding debt	5 078 420	14 778 420	9 700 000	10 185 000	10 694 250
Fines	1 600 000	3 600 000	3 780 000	3 969 000	4 167 450
Transfers recognised - operational	36 855 000	39 111 611	40 929 000	45 057 000	50 506 000
Other revenue	168 000	353 000	158 406	166 327	174 600
			-	-	-
Total Operating Revenue	84 154 140	100 538 281	101 117 147	112 697 567	126 986 223



In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit. Operating grants and transfers forms a significant percentage of the revenue basket for the municipality. Operating grants and transfers totals R40,9 million (which represents 40% of the operating budget) in the 2011/12 financial year and increase to R45 million and R50,5 million in the 2012/2013 and 2013/14 respectively.

Electricity is the major source of own income at 27% (R27,3 million in the 2011-12 financial year).

Table 3 Operating Transfers and Grant Receipts

DIRECT TRANSFERS FROM NATIONAL DEPARTMENTS

Local Government Equitable Share	38 032	42 057	44 806
Conditional Grants from National Departments	18 997	22 684	23 694
Cooperative Governance	16 600	20 184	21 294
Municipal Infrastructure Grant (Schedule 6)	16 600	20 184	21 294
<u>Recurrent Grants (Schedule 6)</u>	2 040	2 500	2 400
Cooperative Governance	790	1 000	900
Municipal Systems Improvement Grant	790	1 000	900
National Treasury	1 250	1 500	1 500
Local Government Financial Management Grant	1 250	1 500	1 500
<u>Incentive Grants (Schedule 8)</u>	357	-	-
Public Works	357	-	-
EPWP Incentive Grant for Municipalities	357	-	-
TOTAL: DIRECT TRANSFERS FROM NATIONAL DEPARTMENTS	57 029	64 740	68 499

TRANSFERS FROM PROVINCIAL DEPARTMENTS

Municipal Allocations from Provincial Departments	4 500	4 500	7 300
of which			
Sport Arts and Culture	500	500	3 300
Library Grant	500	500	3 300
Local Government and Traditional Affairs	4 000	4 000	4 000
Bucket Replacement	4 000	4 000	4 000
SUB-TOTAL: TRANSFERS FROM PROVINCIAL DEPARTMENTS	4 500	4 500	7 300
TOTAL: TRANSFERS FROM NATIONAL AND PROVINCIAL DEPARTMENTS	61 529	69 240	75 799

Operating Expenditure Framework

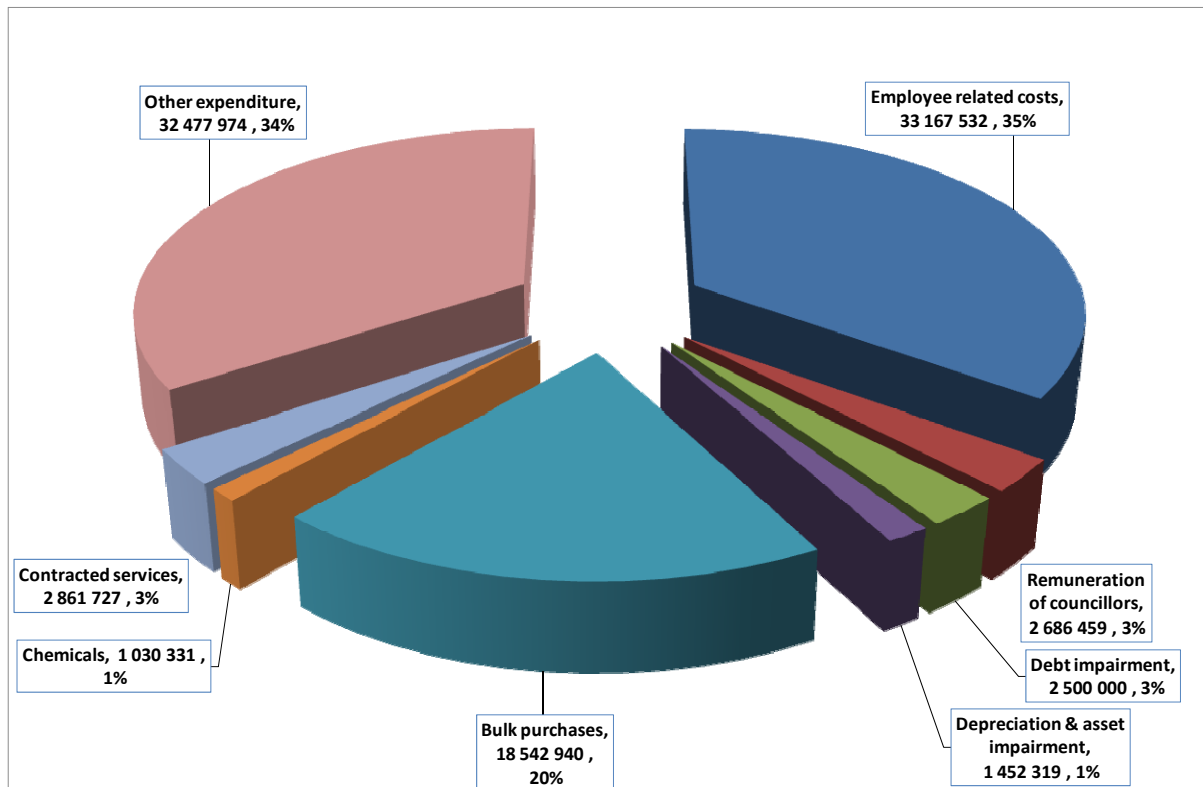
The Municipality's expenditure framework for the 2011/12 budget and MTREF is informed by the following:

- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- The capital programme is aligned to the asset renewal strategy and backlog eradication plan;
- Operational gains and efficiencies will be directed to funding the capital budget and other core services; and
- Strict adherence to the principle of *no project plans no budget*. If there is no business plan no funding allocation can be made.

The following table is a high level summary of the 2011/12 budget and MTREF (classified per main type of operating expenditure):

Table 4 Summary of operating expenditure by type

Description	Current Year 2010/11		2011/12 Medium Term Revenue &		
	Original Budget	Adjusted Budget	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
Expenditure By Type					
Employee related costs	28 814 700	29 259 899	33 167 532	36 864 417	41 314 278
Remuneration of councillors	2 221 730	2 838 858	2 686 459	2 901 376	3 133 486
Debt impairment	2 000 000	2 000 000	2 500 000	3 000 000	3 500 000
Depreciation & asset impairment	1 183 000	1 999 389	1 452 319	1 726 710	1 632 566
Finance charges	2 860	2 860			
Bulk purchases	14 700 000	14 700 000	18 542 940	23 429 321	29 639 948
Other materials	575 100	1 067 100	1 030 331	1 089 031	1 171 993
Contracted services	3 443 530	3 593 530	2 861 727	2 913 431	2 986 505
Other expenditure	28 586 000	34 600 783	32 477 974	33 657 881	38 813 671
Total Operating Expenditure	81 526 920	90 062 419	94 719 282	105 582 167	122 192 447



The budgeted allocation for employee related costs for the 2011/12 financial year totals R33,1 million, which equals 35 per cent of the total operating expenditure in line with the relevant guidelines. Based on the three year collective SALGBC agreement, salary increases have been factored into this budget at a percentage increase of 6.08 per cent for the 2011/12 financial year. Key vacant positions have also been included in the employee costs. An annual increase of 7.03 and 7.5 per cent has been included in the two outer years of the MTREF.

Bulk purchases of electricity are budgeted at R18,5 million (which represents 20% of the operating budget) in the 2011-12 financial year.

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the municipality's budget. Notwithstanding, the above facts the Councillors projected increase has been estimated at 8 per cent in the 2011/2012 and additional two Councilors were included in the budget in line with the new demarcations.

Due to the increasing legislative compliance requirement contracted services has been identified as one component that is increasing at cost for the Municipality. As part of the compilation of the 2011/12 MTREF this group of expenditure was critically evaluated and Head of Department had to

motivate for this service to be included in the budget. In the 2011/12 financial year, this group of expenditure totals R2, 8 million and has escalated by just 0.003 per cent. For the two outer years growth has been limited to 2 and 4 per cent. The costs of formalization of townships have also been included in the professional services for the 2011-12 budget.

Other expenditure comprises of various line items relating to the daily operations of the municipality. This group of expenditure has been identified as an area in which cost savings and efficiencies can be achieved. Growth has been limited to 4.8 per cent for 2011/12 and curbed at 5,3% and 5,5% per cent for the two outer years, indicating that significant cost savings have been already realised.

PART 2

CHAPTER 3: OVERVIEW OF THE ANNUAL BUDGET PROCESS



CHAPTER 3: OVERVIEW OF THE ANNUAL BUDGET PROCESS

In terms of the Section 24 of the MFMA, Council must at least 30 days before the start of the financial year consider approval of the annual budget. The MFMA aims to put in place a sound financial framework and sets out timelines for budget preparations and approval.

IDP consultation and public hearings were held in all 5 wards of Kgetlengrivier Municipality from November 2010.

Draft MTB estimates for the 2010-11 were determined and issued to all departments to prepare their draft budgets.

The draft MTB was tabled at a Council meeting held on 31 March 2011.

Advertisements were placed in local and provincial newspapers, and the draft budget and tariff reports were made available at all municipal offices (Koster, Swartuggens and Derby) as well as all libraries within Kgetlengrivier municipal area.

The table below outlines the timelines for the overall process of Budget, Tariffs and IDP.

Budget Process	Timeframe
IDP & Budget Process Schedule Preparation	July 2010
Table Process Schedule in Council	August 2010
Steering Committee Establishment	September 2010
First External Consultation Process (Informal	November 2010
Issuing of final indicatives by Budget Office	February 2011
Submission of final draft tariffs, budgets and inputs to Budget Office	March 2011
Tabling of the draft budget, tariffs and IDP at Council	31 March 2011
Public participation on the tabled budget, tariffs and IDP	15 May to 15 June 2011
Consideration of inputs and comments by the public	17 to 20 June 2011
Council approval of final Budget and IDP	23 June 2011
Tariffs and by-laws promulgated in Provincial Government Gazette	24-30 June 2011
Approval of Business Plans, SDBIP and Section 57 Managers performance agreements	30 June 2011

CHAPTER 4:

OVERVIEW OF ALIGNMENT OF THE ANNUAL BUDGET

CHAPTER 4: OVERVIEW OF ALIGNMENT OF THE ANNUAL BUDGET WITH THE IDP

The municipality's IDP contains the medium-term focus areas for development. These focus areas set the agenda for resource planning and allocation over the medium term.

Council has set the following priorities:

- ✚ A safe, clean and green municipality;
- ✚ A well-governed and managed municipality;
- ✚ Housing and services; and
- ✚ Economic growth and job creation.
- ✚ Deliver more and better services in a caring and efficient manner;
- ✚ Hold political office bearers and public servants accountable;
- ✚ Shift resources to new priorities;
- ✚ Move from debate to effective implementation and decisive action; and
- ✚ Work in partnership with communities, labour and business to achieve our shared objectives.

The 2011/12 budget continues to address the following IDP interventions:

Local Economic Development

- ✚ An budget of **R 1,1 million** from own funding has been allocated for L.E.D projects and relevant strategies within the municipality. Workshops have also been planned for SMMEs.
- ✚ The municipality will review Local Economic Development Strategy in conjunction with Bojanala Platinum District Municipality, the strategy is aimed at exploiting all possible potential economic activities within Kgetlengrivier Municipal area, that are to enhance economic growth and attract new investments while retaining the existing.

In the 2010/11 financial year, Kgetlengrivier Municipality intends to:

- ✚ Resuscitate L.E.D projects that were previously initiated.
- ✚ Encourage small businesses, women and youth to form cooperatives.
- ✚ Implement its LED Strategy effectively in the 2011/12 financial years, through initiating ward based projects throughout the Municipality.

- ✚ Exploit all possibilities to source funds from Development Finance Institutions such as DTI, NDA, Mines, Donors, etc and big businesses on behalf of promising SMMEs in the Municipality.
- ✚ Build enough institutional capacity to establish effective Tourism, Agriculture and LED forums.
- ✚ Insist on encouraging the Municipality to register all its infrastructure development projects with EPWP from which general public can participate, learn while also building enough capacity to create new entrepreneurs.
- ✚ Request assistance from institutions such as CIDB, NHBRC and SEDA to train emerging contractors in construction and facilitate their accreditation.
- ✚ Develop an Investment Incentive Scheme/Policy so as to attract new investment in the Municipality.

Infrastructure and Service delivery

This KPA is performed through Technical Services and Community Services Directorates. The municipality renders the following basic services to the residents in the urban areas; Water Provision; Sewerage Disposal; Refuse Removal and Electricity Provision. Other services rendered by the municipality to residents, include; Streets and Storm Water , Parks, Sports and Recreational Facilities; Cemeteries, Libraries, Primary Health Care, Traffic Control, Housing and Town Planning.

Households with access to the following services in Kgetlengrivier as compared to the North West Province (ranking 7 nationally) is depicted in the table below;

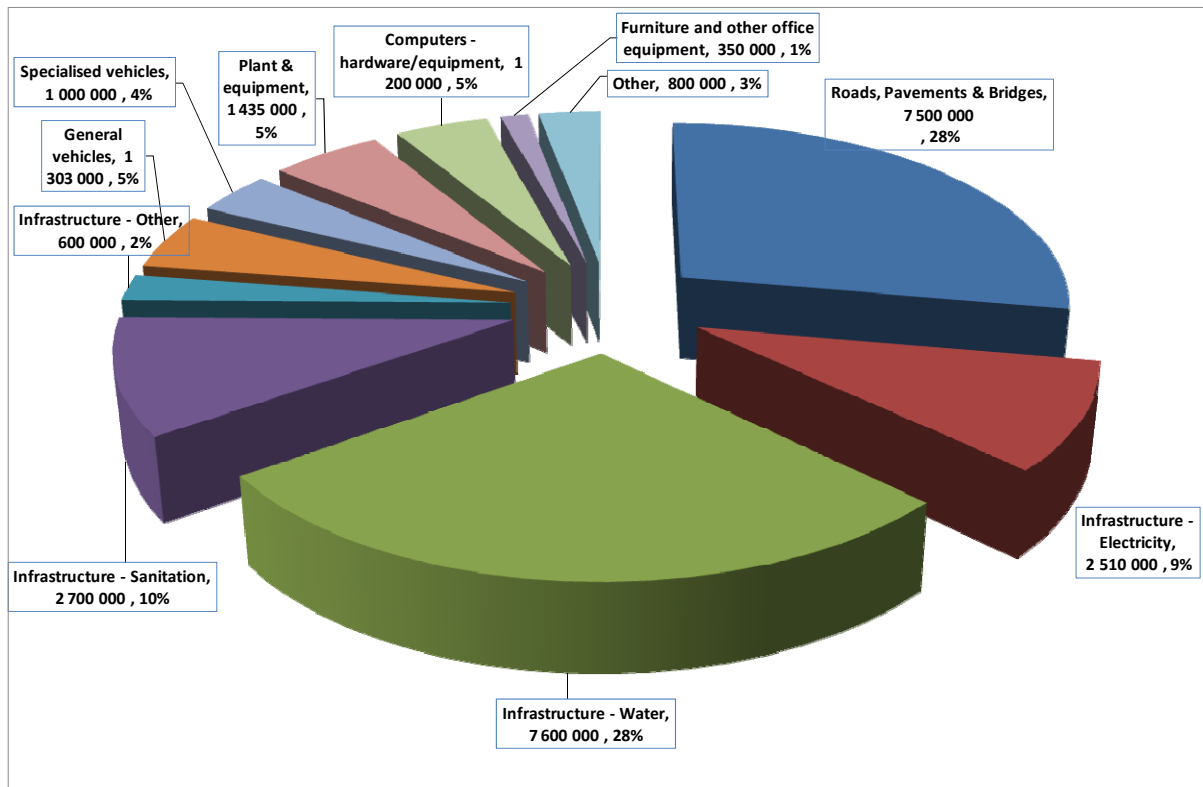
	North West	Kgetlengrivier	Backlog
Electricity	78,3%	63,5%	36,5%
Piped water	89,9%	80,8%	19,2%
Full or intermediate sanitation	53,4%	87,5%	12,5%
Refuse removal Services	48,81%	47,5%	52,5%

Table 5 Summary of Capital expenditure by type

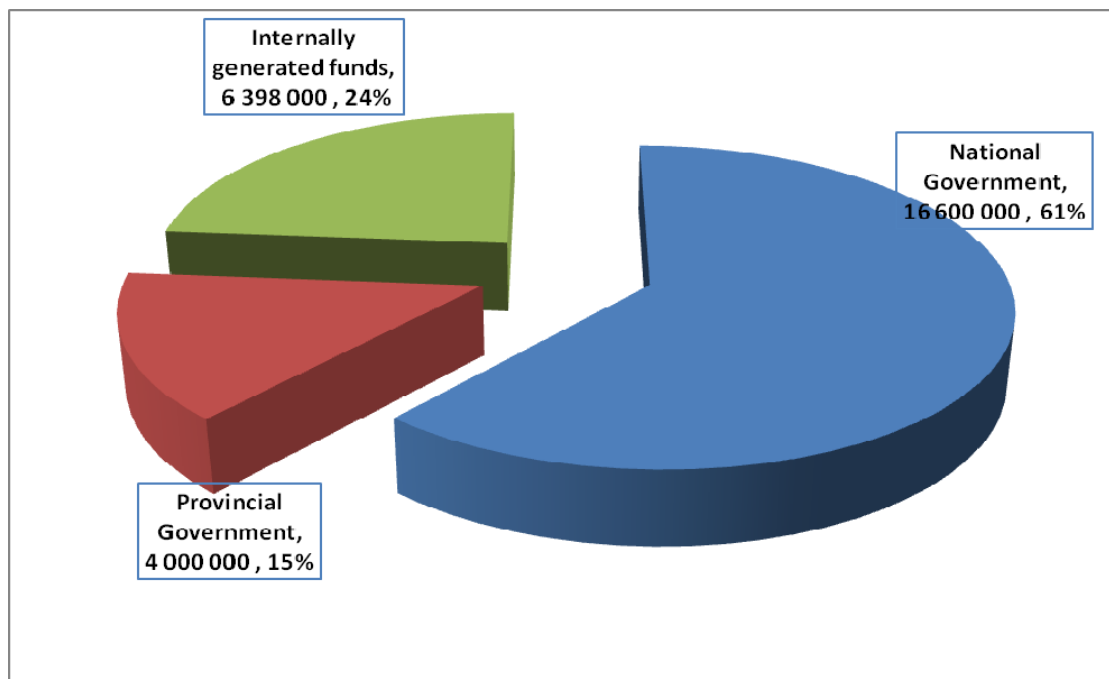
Description	2011/12 Medium Term Revenue & Expenditure		
	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
Roads, Pavements & Bridges	7 500 000	7 500 000	7 500 000
Infrastructure - Electricity	2 510 000	3 110 000	2 980 000
Infrastructure - Water	7 600 000	11 500 000	14 194 000
Infrastructure - Sanitation	2 700 000	4 605 000	2 214 000
Infrastructure - Other	600 000	1 800 000	-
General vehicles	1 303 000	-	300 000
Specialised vehicles	1 000 000	-	-
Plant & equipment	1 435 000	-	-
Computers - hardware/equipment	1 200 000	1 500 000	1 800 000
Furniture and other office equipment	350 000	500 000	300 000
Other	800 000	784 000	800 000
Total Capital Expenditure	26 998 000	31 299 000	30 088 000
Sources of Finance			
National Government	16 600 000	20 184 000	21 294 000
Provincial Government	4 000 000	4 000 000	4 000 000
Internally generated funds	6 398 000	7 115 000	4 794 000
Total Capital Expenditure	26 998 000	31 299 000	30 088 000

Kgetlengrivier Municipality Water, Sanitation, Electricity, Cemeteries and Roads Infrastructure Budget for **2011/12** amounts to **R21 million**, then increases to **R28,5 million** and decreases to **R26,8 million** the **2012-13** and **2013-14** respectively.

The chart below shows that the municipality is investing more funds (28% each) the on both water and roads infrastructure to ensure provision of basic services to the communities.



Source of funding for capital expenditure.



The above graph shows the Capital budget is financed mainly through grants i.e. 76% (61% for National plus 15% for Provincial Government) of the total capital expenditure.

The following infrastructure development and basic service delivery projects will be implemented;

Water Provision

R7,6 million has been allocated for water related projects in 2011-12 including;

- ✚ R4 million for Redirile Water reticulation project in 2011/12
- ✚ Replacement of asbestos pipes in Koster and Swartruggens is allocated R2,6 million in the 2011-12 financial year and R12,4 million for the two outer years.
- ✚ Water Reticulation project in Borolelo Ext.4 is allocated R4 million in the 2012-13 financial year.
- ✚ R9,2 million has been allocation for water reticulation in Leeufontein for the 2013-14 financial year.

Roads and Storm-water

- ✚ R7,5 million allocated for paving of roads in Redirile (Derby) during the 2011-12 financial year.
- ✚ R15 million during the two outer years (2012/13 and 2013/14) has been allocated for Swartruggens and Borolelo.

Sanitation

- ✚ R2,7 million has been allocated for construction of VIP toilets in Redirile during the 2011-12 financial year. Extra R8,4 million will be spent during the 2012/13 and 2013/14 financial years.
- ✚ The municipality also made a provision of R5 million for sewer reticulation in Leeufontein during the 2012-13 and 2013-14 financial years.
- ✚ Ratsegae will also be serviced through VIPs at the costs estimated at R1,8 million in the 2012-13 financial year.
- ✚ Maintenance of pumps is also allocated in the operating budget.

Electricity

- ✚ R2 million allocated for high mast lights at strategic areas in Redirile and Borolelo in the 2011-12 financial year.
- ✚ A total of R2,6 million will be spent in Mazista and Skierlik for installation of high masts lights in the 2012/13 financial year.
- ✚ R2,8 million has also been allocated for installation of high mast lights in Leeufontein during the 2013-14 financial year.

Refuse Removal

- ✚ The municipality has allocated R1 million for purchasing of Refuse Compactor in Swarttruggens during the 2011-12 financial year.

Skills Development and Training

- ✚ **Bursaries** have been budgeted at **R200 000** whereby learners and students are financed to further their studies.
- ✚ **R400 000** has been allocated for **skills development** within the municipality to address inequalities of the past (For both Councilors and Employees).

CHAPTER 5: MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS

Refer to the IDP for measurable performance objectives

CHAPTER 6: OVERVIEW OF BUDGET-RELATED POLICIES

Budgeting is central to the process of prioritising for service delivery and the management of the functions of Council.

The municipality's budgeting process is guided and governed by relevant legislation and budget related policies.

The following are the key policies that were reviewed during the 2011-12 budget process;

-  Credit control and debt collection policy
-  Indigent Policy
-  Tariffs Policy
-  Subsistence and Travelling Policy
-  Property Rates policy

Refer to **Annexure 1** for proposed amendments on the above policies.

CHAPTER 7: TARIFF LISTS

Refer to the **Annexure 2** for detailed tariff list.

CHAPTER 8: OVERVIEW OF BUDGET ASSUMPTIONS

Budget assumptions provide a comprehensive summary of all assumption made in preparing the budget proposals. Macro and micro economic matters, internal and external factors are taken into consideration.

The 2011/12 – 2013/14 Medium Term Budget has been prepared within a highly volatile and highly uncertain economic environment, making the budgeting process even more challenging.

Division of Revenue Act

The Division of Revenue Act for 2011/2012 was utilized to determine the Equitable Share, Councilors remuneration subsidy, Financial Management Grant, Municipal Systems Improvement Grant, and Municipal Infrastructure Grant and National Electrification Programme Grant.

Average Salary increases

SALGBC collective agreement on remuneration of employees stipulates that salaries for 2011-12 financial year will be increased by CPIX (**4, 08%**) plus **2%**. Thus salaries, allowances and employee benefits were increased by the same percentage

Price movements on bulk purchases and other expenses

-  Bulk electricity purchases were increased by **26,71%** and electricity tariff increase by 20.38% according to Eskom guidelines as approved by NERSA.
-  Repairs and Maintenance, General expenses and Capital Expenditure were budgeted based on inputs from all departments within the municipality.

Inflation

According to MFMA circular no 55 issued by the National Treasury, inflation rate is expected to stay between 3 to 6 percent. Consumer price index for 2011/12, 2013/14 and 2014/15 is announced at 4.8%, 5.3% and 5.5% respectively.

Indigent Registration and Approval

The main challenge facing Kgetlengrivier municipality is registration and verification of indigents, currently the number of applications received are estimated at **4000** and this figure could increase to **5000** in the 2011/12 financial year.

Supply of Free basic Services

The increase in the number of indigents in the municipal area will mean that additional amount to be spent on indigent subsidies and write-offs.

6kl free basic water will be provided to residential consumers only.

The municipality is in the process of finalizing database of beneficiaries of free basic electricity of 50kw/h per month and negotiations with Eskom are underway.

Collection rates for main revenue sources

Collection rate of the current year budget levies is estimated at 75%, the allocation of these receipts depend on priority according to the tariff policy.

The municipality has planned to introduce credit control measures in the 2011-12 financial year and revenue collection will be increased from 75% to 95%.

CHAPTER 9: OVERVIEW OF BUDGET FUNDING

Review of past performance

Operating Revenue and expenditure

A summarised extract of the statement of financial performance is as follows:

Part1: Operating Revenue and Expenditure

	2010/11									
	Budget		First Quarter		Second Quarter		Third Quarter		Year to Date	
	Main appropriation	Adjusted Budget	Actual Expenditure	1st Q as % of Main appropriation	Actual Expenditure	2nd Q as % of Main appropriation	Actual Expenditure	3rd Q as % of adjusted budget	Actual Expenditure	Total Expenditure as % of adjusted budget
R thousands										
Operating Revenue and Expenditure										
Operating Revenue	84 154	100 539	38 960	46.3%	24 233	28.8%	22 481	22.4%	85 674	85.2%
Billed Property rates	2 600	3 600	728	28.0%	874	33.6%	1 134	31.5%	2 735	76.0%
Billed Service charges	27 274	36 373	7 701	28.2%	6 528	23.9%	6 771	18.6%	21 000	57.7%
Other own revenue	54 280	60 566	30 531	56.2%	16 832	31.0%	14 576	24.1%	61 939	102.3%
Operating Expenditure	81 528	90 063	22 555	27.7%	18 377	22.5%	17 326	19.2%	58 259	64.7%
Employee related costs	31 036	32 099	8 717	28.1%	7 698	24.8%	7 406	23.1%	23 821	74.2%
Bad and doubtful debt	2 000	2 000	-	-	-	-	-	-	-	-
Bulk purchases	14 700	14 700	5 658	38.5%	4 056	27.6%	1 950	13.3%	11 664	79.3%
Other expenditure	33 791	41 264	8 180	24.2%	6 624	19.6%	7 970	19.3%	22 774	55.2%
Surplus/(Deficit)	2 627	10 476	16 405		5 856		5 155		27 416	
Capital transfers and other adjustments				-		-		-		-
Revised Surplus/(Deficit)	2 627	10 476	16 405		5 856		5 155		27 416	

Part 2: Capital Revenue and Expenditure

	2010/11									
	Budget		First Quarter		Second Quarter		Third Quarter		Year to Date	
	Main appropriation	Adjusted Budget	Actual Expenditure	1st Q as % of Main appropriation	Actual Expenditure	2nd Q as % of Main appropriation	Actual Expenditure	3rd Q as % of adjusted budget	Actual Expenditure	Total Expenditure as % of adjusted budget
R thousands										
Capital Revenue and Expenditure										
Source of Finance	19 929	19 929	688	3.5%	2 379	11.9%	2 150	10.8%	5 216	26.2%
External loans	-	-	-	-	-	-	-	-	-	-
Internal contributions	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies	17 092	17 092	688	4.0%	2 081	12.2%	2 028	11.9%	4 796	28.1%
Other	2 836	2 836	-	-	298	10.5%	122	4.3%	420	14.8%
Capital Expenditure	19 929	19 929	688	3.5%	2 379	11.9%	2 150	10.8%	5 216	26.2%
Water and Sanitation	8 200	8 200	230	2.8%	1 417	17.3%	55	.7%	1 701	20.7%
Electricity	1 600	1 600	285	17.8%	345	21.6%	65	4.1%	695	43.5%
Housing	-	-	-	-	-	-	-	-	-	-
Roads, pavements, bridges and storm water	5 500	5 500	-	-	262	4.8%	1 070	19.4%	1 331	24.2%
Other	4 629	4 629	173	3.7%	356	7.7%	960	20.7%	1 488	32.2%

Part 3: Cash Receipts and Payments

R thousands	2010/11									
	Budget		First Quarter		Second Quarter		Third Quarter		Year to Date	
	Main appropriation	Adjusted Budget	Actual Expenditure	1st Q as % of Main appropriation	Actual Expenditure	2nd Q as % of Main appropriation	Actual Expenditure	3rd Q as % of adjusted budget	Actual Expenditure	Total Expenditure as % of adjusted budget
Cash Receipts and Payments										
Opening Cash Balance	1 841	4 256	2 219		1 292		7 891		2 219	
Cash receipts by source	80 303	86 788	23 839	29.7%	28 443	35.4%	11 906	13.7%	64 189	74.0%
Statutory receipts (including VAT)	1 353	2 601	849	62.8%	1 175	86.8%	-	-	2 024	77.8%
Service charges	22 601	36 332	6 729	29.8%	7 238	32.0%	8 093	22.3%	22 060	60.7%
Transfers (operational and capital)	44 523	54 157	24 035	54.0%	21 368	48.0%	8 753	16.2%	54 157	100.0%
Other receipts	14 259	8 365	1 114	7.8%	192	1.3%	156	1.9%	1 463	17.5%
Contributions recognised - cap. & contr. assets	-	-	-	-	-	-	-	-	-	-
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-	-
External loans	-	-	-	-	-	-	-	-	-	-
Net increase (decr.) in assets / liabilities	(2 433)	(14 667)	(8 889)	365.4%	(1 529)	62.9%	(5 096)	34.7%	(15 515)	105.8%
Cash payments by type	79 924	102 777	24 766	31.0%	21 844	27.3%	18 398	17.9%	65 008	63.3%
Employee related costs	20 314	31 037	7 092	34.9%	7 728	38.0%	8 316	26.8%	23 136	74.5%
Grant and subsidies	393	-	588	149.5%	976	248.0%	3 073	-	4 637	-
Bulk Purchases - electr., water and sewerage	-	14 702	-	-	-	-	-	-	-	-
Other payments to service providers	31 067	32 609	15 184	48.9%	9 325	30.0%	5 510	16.9%	30 020	92.1%
Capital assets	8 903	24 429	972	10.9%	1 272	14.3%	1 194	4.9%	3 437	14.1%
Repayment of borrowing	-	-	-	-	-	-	-	-	-	-
Other cash flows / payments	19 247	-	931	4.8%	2 543	13.2%	305	-	3 779	-
Closing Cash Balance	2 219	2 934	1 292		7 891		1 399		1 399	

The municipality will increase tariffs for its services as follows for 2011/12;

Service	% Increase
Electricity	20,38%
Water	4,8%
Refuse	4,8%
Sanitation	4,8%

CHAPTER 10: EXPENDITURE ON TRANSFERS AND GRANT PROGRAMME

Refer to Table SA 19

CHAPTER 11: COUNCILLOR ALLOWANCES AND EMPLOYEE BENEFITS

Refer to Table SA22, SA 23 and SA24 for more detailed information on personnel and payroll expenses.

CHAPTER 12: LEGISLATION COMPLIANCE STATUS

The promulgation of the Municipal Finance Management Act (The Act) has brought in proficiency and control measures to local government in terms of budgeting, monitoring and accounting on public funds. The Act has had a profound effect on local government operations that required transformation in financial discipline and planning processes.

The budget preparation for 2011/12 to 2013/14 complies with most of these key requirements.

Purpose and quality of MFMA returns

Section 71 Reports

- *Purpose – Status of municipal finance position*
- *Quality – The main challenge relates to reconciliation of accounts and this makes it difficult to provide the information timeously.*

Borrowing Monitoring Return Form

- *Purpose – Status of municipal long debt*
- *Quality – Information provided every quarter is based on confirmed balances in the previous year and payment made during the quarter.*

Budget Evaluation Checklist (Circular 10)

- *Purpose – Progress on compilation of budget*
- *Quality – Information is adequately provided as and when required.*

MFMA 12 Urgent Priorities (Circular 5)

- *Purpose – Implementation of MFMA*
- *Quality – Assessment and evaluation relating to progress made needs to be enhanced.*

Corporate Entities (Circular 5)

- *Purpose – To monitor compliance with S178 (2) of the MFMA*
- *Quality – The municipality does not have entities.*

PPP's (Circular 5)

- *Purpose – To monitor compliance with S178 (2) of the MFMA*
- *Quality – The municipality did not enter into any PPP's.*

Long Term Contracts

- *Purpose – To monitor compliance with S178 (2) of the MFMA*
- *Quality – Information required for this return is provided sufficiently.*

Internal audit and audit committees

- ✚ The municipality has established the **internal audit** unit and is sharing Audit Committee with Bojanala District Municipality.

Risk Plans

The municipality has performed risk assessment and was submitted to the Audit Committee in February 2011.

Implementation of Supply Chain Management

Preferential policy objectives identified to be met through each contract.

- ✚ threshold values contained in the SCM Policy aligned with the values stipulated in regulation

- ✚ Records are kept for the following;

- Written or verbal quotations received and awards made.
- Tenders and all other bids received and awards made.
- Petty Cash purchases

Supply Chain Management Unit has not been established and relevant statutory reports are not currently compiled.

- ✚ All the three bid committees have established and are functional.

Tabling of Section 71 Reports in Council

- ✚ Monthly 71 reports are tabled Council (Although not on time due to lack of capacity).

Treasury Guidelines (Gazzete dated 9 April 2001)

- ✚ Treasury Guidelines relating to financial management, and budget preparation & implementation are adhered to and this has been included in the budget policy.

Performance agreements

- ✚ Performance agreement was entered into between the Mayor and the Accounting Officer for 2010/11 financial year.
- ✚ Performance agreements were developed for 2010/11 financial year, and signed by all Section 57 managers.

GRAP Implementation

- ✚ The municipality has prepared the 2007-08, 2008-09 and 2009-2010 Annual Financial Statements in line with GRAP.

CHAPTER 13: RESOLUTIONS

1. That in terms of section 24 of the Municipal Finance Management Act, 56 of 2003, the annual budget of the municipality for the financial year 2011/12; and indicative allocations for the two projected outer years 2012/13 and 2013/14; and the multi-year and single year capital appropriations are approved as set-out in the following tables:

1.1 Budgeted Financial Performance (revenue and expenditure by standard classification);

1.2 Budgeted Financial Performance (revenue and expenditure by municipal vote);

1.3 Budgeted Financial Performance (revenue by source and expenditure by type); and

1.4 Multi-year and single year capital appropriations by municipal vote and standard classification and associated funding by source.

2. That the financial position, cash flow, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are adopted as set-out in the following tables:

2.1 Budgeted Financial Position;

2.2 Budgeted Cash Flows;

2.3 Cash backed reserves and accumulated surplus reconciliation;

2.4 Asset management; and

2.5 Basic service delivery measurement.

3. That in terms of section 24(2)(c)(i) and (ii) of the Municipal Finance Management Act, 56 of 2003 and sections 74 and 75A of the Local Government: Municipal Systems Act, Act 32 of 2000 as amended, the tariffs for the supply of water, electricity, waste services, sanitation services and property rates as set out in Budget **Chapter 7** and other tables used to prepare the estimates of revenue by source, are approved with effect from 1 July 2011.

4. That in terms of section 24(2)(c)(iii) of the Municipal Finance Management Act, 56 of 2003, the measurable performance objectives for capital and operating expenditure by vote for each year of the medium term revenue and expenditure framework as set out in **Chapter 5** are approved.

6. That in terms of section 24(2)(c)(iv) of the Municipal Finance Management Act, 56 of 2003, the 2016 Integrated Development Plan as well as prioritized projects as set out in Budget **Chapter 4** are approved.

7. That in terms of section 24(2)(c)(v) of the Municipal Finance Management Act, 56 of 2003, the budget-related policies, including any amendments as set out in Budget **Chapter 6** and **Annexure 1** are approved for the budget year 2010/11.

CHAPTER 14: DETAIL BUDGETS PER DEPARTMENT

The detailed annual budget for the financial year 2011/12; and indicative allocations for the two projected outer years 2012/13 and 2013/14; are as set-out in the Tables 1 to Table 10 and related schedules on SA1 to SA 37.



**COMPILED BY:
BUDGET AND TREASURY OFFICE**

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ANNEXURE 1

AMENDMENTS ON THE 2011-12 POLICIES



Contents

- ❑ Credit Control and Debt Collection Policy
- ❑ Indigent Policy
- ❑ Tariff Policy
- ❑ Subsistence and Travelling Policy
- ❑ Property Rates Policy

1. PROPOSED AMENDMENTS ON CREDIT CONTROL & DEBT COLLECTION POLICY

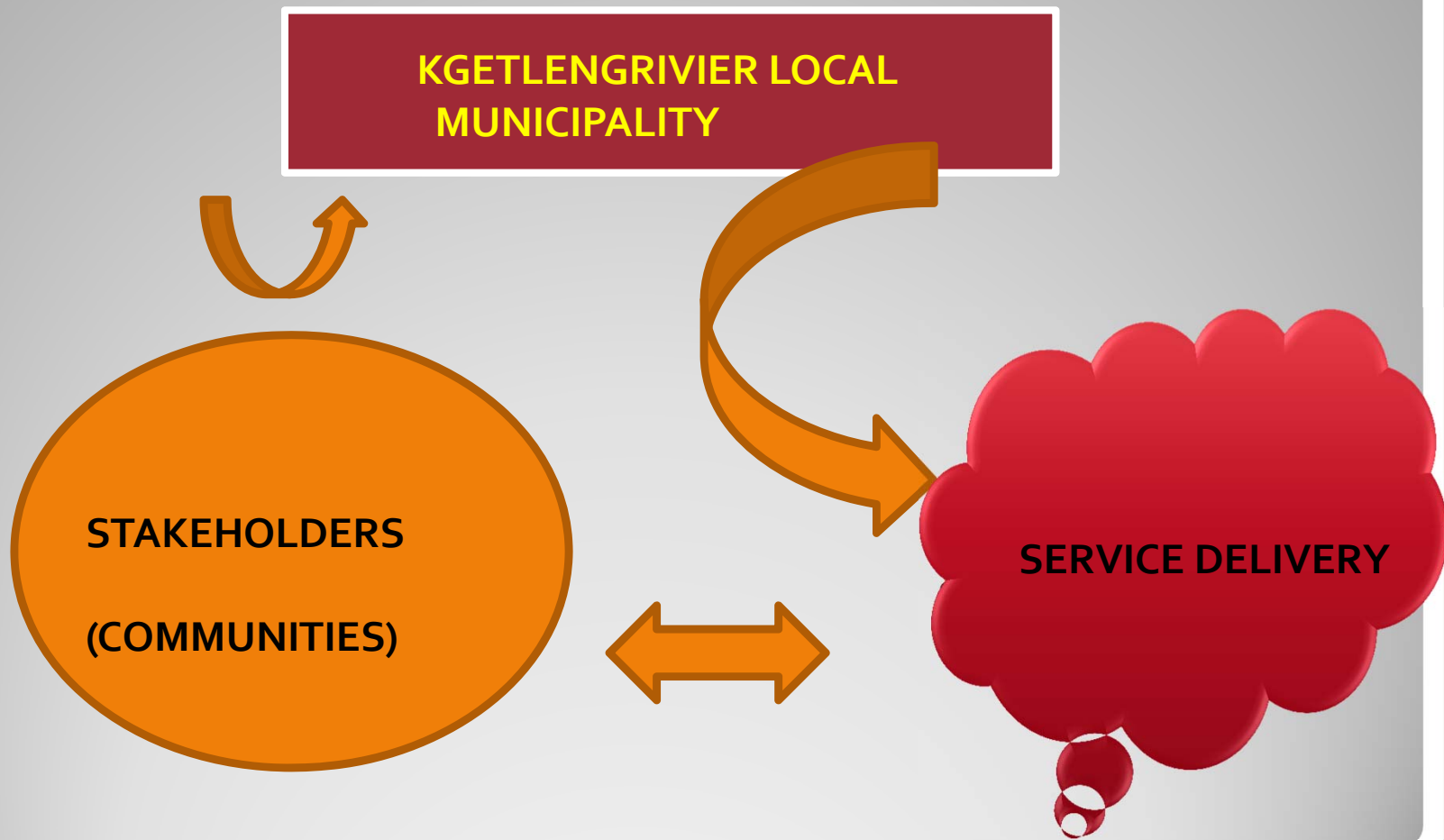


Objectives and beneficiaries

This policy is intended to improve cash flow and profitability which will ensure stability and sustainability of the municipality to render services to its stakeholders.

MM & CFO to oversee implementation

Credit control & debt collection policy



Amendments on Credit Control Policy

Existing paragraphs	Proposed Amendments
<u>Part 12:</u> Interest shall be charged on all arrear accounts at a rate determined by Council from time to time.	<u>Part 12:</u> Interest shall be charged on all arrear accounts at a rate of 1 % on the total debts per month for the 2011 / 12 financial year
<u>Part 17:</u> Accounting officer may enter into agreements with defaulting account holders for the payment of arrear accounts and where defaulter income group is R1 801 - R5000, initial payment of 10% will be required from Residential Consumers.	<u>Part 17:</u> Accounting officer may enter into agreements with defaulting account holders for the payment of arrear accounts and where defaulter income group is R2 001 - R5000, initial payment of 10% will be required from Residential Consumers.

Amendments on Credit Control Policy

Existing paragraphs	Proposed Amendments
<u>Part 17:</u> Accounting officer may enter into agreements with defaulting account holders for the payment of arrear accounts and initial payment of 50% will be required from Business Entities.	<u>Part 17:</u> No Arrangements will be entered into between the municipality and business entities, debts must be paid before due date and all monies will have to be paid before reconnection. Arrangements for arrears before 01 July 2011 could still be made, however, they should be paid by 30 June 2012

2. AMENDMENTS ON INDIGENT POLICY



Objectives and beneficiaries

This policy is intended to ensure that households that are unable to pay for normal municipal services have access to at least basic municipal services'

Amendments on Indigent Policy

Existing paragraphs	Proposed Amendments
<u>Paragraph 4.1:</u> For the 2010 / 2011 financial year, the amount (Income Threshold) is R1 800.00.	<u>Paragraph 4.1:</u> For the 2011 / 2012 financial year, the amount (Income Threshold) is R2 000.00.
<u>Paragraph 8.2:</u> Registration shall generally be undertaken during January and / or February each year or any other date as determined by Council.	<u>Paragraph 8.2:</u> Registration shall generally be undertaken during June and / or November each year or any other date as determined by Council.

Amendments on Indigent Policy

Existing paragraphs	Proposed Amendments
<u>No provision</u>	<u>Paragraph 13.3:</u>
Silent	Arrear accounts of the indigents may be written off upon approval by Council.

3.

AMENDMENTS ON TARIFF POLICY



Objectives and beneficiaries

The objectives of the tariff policy are, to ensure that-

- tariffs levied by the municipality comply with legislation
- services provided by the municipality are sustainable, affordable and reliable
- the needs of the indigent, aged and disabled are taken into consideration
- tariffs are applied consistently throughout the municipal area.

Amendments on Tariff Policy

Existing paragraphs	Proposed Amendments
<u>Paragraph 10.5:</u> Market-related rentals shall be levied for the lease of municipal properties. In the case of rentals for the use of municipal halls and premises, the municipal manager may waive <u>50 %</u> of the applicable rental if the municipal manager is satisfied that the halls or premises are required for non-profit making purposes <u>and</u> for the provision of a service to the community.	<u>Paragraph 10.5:</u> Market-related rentals shall be levied for the lease of municipal properties. In the case of rentals for the use of municipal halls and premises, the municipal manager may waive <u>100 %</u> of the applicable rental if the municipal manager is satisfied that the halls or premises are required for non-profit making purposes <u>and</u> for the provision of a service to the community.

4.

AMENDMENTS ON SUBSITENCE AND TRAVELLING POLICY



Objectives

The objectives of the Subsistence and Travelling (S&T) Policy are

- to clearly define the subsistence and travelling expenses that may be claimed by a representative of the Kgetlengrivier Local Municipality;
- to set out the conditions and authorisation required;
- to control the utilisation of the approved budget for subsistence and travelling.

Amendments on S&T Policy

Existing paragraphs	Proposed Amendments
<u>Part 5 (a) :</u> The municipality shall pay subsistence allowance to a representative for approved local travel as follows: - R70 per day or part thereof, with no overnight stay, to defray incidental expenses - R230.00 per day or part thereof, with overnight stay, to defray meals and incidental expenses - R190 per day or part thereof, with overnight stay, to defray meals and incidental expenses, if accommodation is on Bed & Breakfast basis.	<u>Part 5 (a):</u> The municipality shall pay subsistence allowance to a representative for approved local travel as follows: - R80 per day to defray incidental expenses - R240.00 per day or part thereof, with overnight stay, to defray meals (where both breakfast and dinner are not included) and incidental expenses - R200 per day or part thereof, with overnight stay, to defray meals and incidental expenses, if accommodation is on Bed & Breakfast basis and excludes dinner.

Amendments on S&T Policy

Existing paragraphs	Proposed Amendments
<u>Part 7 (a) :</u> If the representative stays in a friend's or relative's home, he/she is not entitled to accommodation allowance but the municipality shall pay a subsistence allowance of R230.00 to the representative. The municipality will have to seek most affordable accommodation and should not exceed R1200.00 per night in the 2010-11 financial year. A motivation should be submitted and approved by the accounting officer where costs are likely to exceed R1200 per night.	<u>Part 7 (a):</u> If the representative stays in a friend's or relative's home, he/she is not entitled to accommodation allowance but the municipality shall pay a subsistence allowance of R240.00 to the representative. The municipality will have to seek most affordable accommodation and should not exceed R1500.00 per night in the 2011-12 financial year. A motivation should be submitted and approved by the accounting officer where costs are likely to exceed R1500 per night.

Amendments on S&T Policy

Existing paragraphs	Proposed Amendments
<u>Part 7 (d) :</u> The municipality shall pay insurance costs at R15.00 per day for standard benefits and R15.00 per day for optional benefits per representative for foreign travel.	<u>Part 7 (d):</u> The municipality shall pay insurance costs at R20.00 per day for standard benefits and R20.00 per day for optional benefits per representative for foreign travel.

5. AMENDMENTS ON PROPERTY RATES POLICY



Introduction

- The amendments and the format of the rates policy are based generic policy that was developed by the National Department of Corporative Governance and Traditional Affairs (Refer to Annexure 3)
- The Property Rates By-Law was also amended to reflect all the contents of the Policy as recommended by the North West Department of Local Government (Refer to Annexure 4).

Amendments on Property Rates Policy

Existing paragraphs

Paragraph 13.1(c) (iii) :

Not included

Proposed Amendments

Paragraph 13.1(c) (iii)

Rebates based on the extent of municipal services provided to agricultural properties will be as follows;

- a. 7.5% rebate, if there are no municipal roads next to the property
- b. 7.5% rebate, if there is no municipal sewerage to the property
- c. 7.5% rebate, if there is no municipal electricity
- d. 20% rebate, if water is not supplied by the municipality
- e. 7.5% rebate, if there is no refuse removal that is provided by the municipal

Amendments on Property Rates Policy

Existing paragraphs	Proposed Amendments
<u>Paragraph 13.1(c) (iv)</u> <u>previously 13.1(c) (iii) :</u> An additional rebate (based on the total property value) of maximum 10 % will be granted by the municipality in respect of the following:- a. 2,5 % for the provision of accommodation in a permanent structure to farm workers and their dependants. b. 2,5 % if these residential properties are provided with potable water. c. 2,5 % if the farmer for the farm workers electrifies these residential properties. d. 2,5 % for the provision of land for burial to own farm workers or educational or recreational purposes to own farm workers as well as people from surrounding farms.	<u>Paragraph 13.1(c) (iv)</u> An additional rebate (based on the total property value) of maximum 20 % will be granted by the municipality in respect of the following:- a. 5 % for the provision of accommodation in a permanent structure to farm workers and their dependants. b. 5 % if these residential properties are provided with potable water. c. 5 % if the farmer for the farm workers electrifies these residential properties. d. 5 % for the provision of land for burial to own farm workers or educational or recreational purposes to own farm workers as well as people from surrounding farms.

ANNEXURE 2

KGETLENGRIVIER LOCAL MUNICIPALITY



TARIFF LIST FOR PROPERTY RATES AND SERVICE CHARGES

2011-12 FINANCIAL YEAR

The tariffs summarised for the financial year **1 July 2011 to 30 June 2012** are as follows:

1. PROPERTY RATES

CATEGORY	Rate as approved by Council	Exemptions, Reductions & Rebates
Residential	R0,00500 (i.e 0,5 cents)	A total rebate of R17 000 will be granted on the value of the property (R15 000 impermissible according to the Municipal Property Rates Act plus a further R2 000 according to the municipality's Property Rates Policy)
Business, Commercial and Industrial	R0,01200 (i.e 1,2 cents)	A maximum of 10% reduction will be given upon submission and approval of the application.
Agricultural	R0,00125 (i.e 0,125 cents)	75% of the market value on agriculture property will be phased in as per requirements of MPRA.
State-Owned	R0,01200 (i.e. 1,2 cents)	
Public Service Infrastructure	R0,00125(i.e 0,125 cents)	75% of public service infrastructure property will be phased in as per requirements of MPRA
Undeveloped residential sites	R0,00700 (i.e. 0,7 cents)	
Undeveloped business sites	R0,015 (i.e. 1,5 cents)	

EXEMPTIONS, REDUCTIONS AND REBATES:

Exemptions, Reduction and Rebates will be given to the different categories of properties and owners as follows:

Different categories of properties

Residential properties

All residential properties with a market value of less than the amount as annually determined by the municipality are exempted from paying rates. **For the 2011/2012 financial year the maximum reduction is determined as R17 000.** The impermissible rates of **R15 000** contemplated in terms of section 17(1) (h) of the Property Rates Act is included in the amount referred to above as annually determined by the municipality.

The **remaining R2 000** is an important part of the council's indigent policy and is aimed primarily at alleviating poverty.

Indigent owners

Owners who qualify and who are registered as indigents in terms of the adopted indigent policy of the municipality, regardless of the value of the property, will receive a 100% rebate from payment of property tax.

Child headed families

Families headed by children with monthly income not exceeding **R3 000** will receive a **100%** rebate for paying property tax.

Retired and Disabled Persons Rate Rebate

Retired and Disabled Persons, not registered as indigents, qualify for special rebates according to monthly household income as follows;

- **R0 to R 2000** per month - **100%** rebate
- **R 2001 to R3 000** per month - **40%** rebate
- **R3 001 to R5 000** per month - **15%** rebate

Business, commercial and industrial properties

The municipality will grant rebates to ratable enterprises that promote local, social and economic development in its area of jurisdiction. Maximum rebate for the 2011-12 financial year, has been determined at **10%**.

Public Benefit Organizations (PBO's)

Taking into account the effects of rates on PBOs performing a specific public benefit activity and if registered in terms of the Income Tax Act, 1962 (No 58 of 1962) for tax reduction because of those activities, Public Benefit Organizations may apply for the exemption of property rates.

Agricultural property rebate

The municipality will apply the standard ratio for agricultural properties as promulgated by the Minister **1:0.25 (75% rebate** on the tariff for residential properties).

Rebates based on the extent of municipal services provided to agricultural properties will be as follows;

- a. **7.5%** rebate, if there are no municipal roads next to the property
- b. **7.5%** rebate, if there is no municipal sewerage to the property
- c. **7.5%** rebate, if there is no municipal electricity
- d. **20%** rebate, if water is not supplied by the municipality
- e. **7.5%** rebate, if there is no refuse removal that is provided by the municipal

An additional rebate (based on the total property value) of **maximum 20%** will be granted by the municipality.

2. ELECTRICITY TARIFFS

Electricity Supply Tariffs (Subject to Approval by Nersa) TARIFF AS INDICATED EXCLUDING VALUE ADDED TAX

* Tariff not available

	10/11	Min suggested	11/12	
	c/kWh	c/kWh Excl VAT	c/kWh	% Increase
Electricity Consumption Charges				
Residential 1 Conventional Town (with basic charge)	63.00		82.00	30.16%
Residential 1 Pre Paid Town (with basic charge)	*		*	
Residential Lifeline Town (both) (No Basic Charge)	74.00		79.00	6.76%
Residential 2-4 Town (with basic charge)	70.00		82.00	17.14%
Residential Conventional Agricultural (with basic charge)	70.00		82.00	17.14%
Residential Pre Paid Agricultural (with basic charge)	*		*	
Business Town (with basic charge)	99.00		119.00	20.20%
Government/Mine Town (with basic charge)	80.00		96.00	20.00%
Business Agricultural (with basic charge)	99.00		119.00	20.20%
Municipal (with basic charge)	107.00		130.00	21.50%
400V Bulk Supply Town & Agricultural (kW and KVA demand)	75.00		90.00	20.00%
11kV Bulk Supply Town & Agricultural (kW and KVA demand)	*		*	
Business Pre Paid Town (with basic charge)	*		*	
Business Pre Paid Agricultural (with basic charge)	*		*	
Average				19.23%
Electricity Demand Charges				
	R/Unit	R/Unit Excl VAT	R/Unit	
400V Bulk Demand kW (Town and Rural)	*		*	
400V Bulk Demand kVA (Town and Rural)	125.00		150.48	20.38%
11kV Bulk Demand kW (Town and Rural)	*		*	
11kV Bulk Demand kVA (Town and Rural)	115.00		138.44	20.38%
Average				20.38%
Electricity Basic Charge				
	R/Month Excl VAT	R/month Excl VAT	R/Month Excl VAT	
Basic Charge 0-10 kVA TRF	60.47		72.79	20.38%

Basic Charge 11-15 kVA TRF	72.54		87.32	20.38%
Basic Charge 16-25 kVA TRF	96.84		116.58	20.38%
Basic Charge 26-50 kVA TRF	169.25		203.75	20.38%
Basic Charge 51-75 kVA TRF	241.79		291.06	20.38%
Basic Charge 76-100 kVA TRF	314.32		378.38	20.38%
Basic Charge 101-99999 kVA TRF	362.68		436.60	20.38%
All Stands	28.79		34.66	20.38%
All Farms	187.22		225.38	20.38%
Schools	898.62		1081.76	20.38%
				20.38%

3. SEWERAGE TARIFFS

DESCRIPTION		TARIFF 10/11 (VAT Incl.)		TARIFF 11/12 (VAT Incl.)
Buckets Residential		R 23.28	4.8%	R 24.40
Buckets Business		R 32.84	4.8%	R 34.42
Suction Basic-Residential	0.00-0001.00	R 37.22	4.8%	R 39.01
	1.01-9999.00	R 46.50	4.8%	R 48.73
Suction Basic-Business	0.00-0001.00	R 55.80	4.8%	R 58.48
	1.01-9999.00	R 42.78	4.8%	R 44.83
Basic: Residential Empty Stands		R 27.90	4.8%	R 29.24
Basic: Residential		R 23.26	4.8%	R 24.38
Basic: Business		R 139.49	4.8%	R 146.19
Basic: Business (Low water Usage)		R 70.35	4.8%	R 73.73
Basic: School		R 1 394.87	4.8%	R 1 461.82
Basic: Hospital		R 1 862.84	4.8%	R 1 952.26
Basic: Old Age Home		R 750.79	4.8%	R 786.83
Basic: Die Uitspanning		R 929.92	4.8%	R 974.56
Basic: Station		R 46.50	4.8%	R 48.73
Basic: Day Care Centre		R 116.25	4.8%	R 121.83
Basic: Government		R 697.41	4.8%	R 730.89
Basic: Flat		R 27.90	4.8%	R 29.24
Usage: Abattoir and Spoornet		R 464.97	4.8%	R 487.29
Usage: Business		R 116.25	4.8%	R 121.83
Usage: Business Low Water Usage		R 23.46	4.8%	R 24.59
Usage: Hospital		R 1 162.39	4.8%	R 1 218.18
Usage: School		R 697.41	4.8%	R 730.89
Usage: Dwelling/ Residential		R 9.31	4.8%	R 9.76
Usage: Flat		R 9.31	4.8%	R 9.76
Usage: Die Uitspanning		R 300.67	4.8%	R 315.10
Sewer truck drain blockage: Residential		R 332.31	4.8%	R 348.26
Sewer truck drain blockage:				
Business		R 498.47	4.8%	R 522.40
Sewer truck drain blockage: School		R 720.01	4.8%	R 754.57
Sewer truck drain blockage:				
Hospital		R 941.55	4.8%	R 986.74
Sewer truck drain blockage: Old		R 332.31	4.8%	R 348.26

age			
Sewer truck drain blockage: Flats	R 16.62	4.8%	R 17.42
Travelling claim per km (Sewer Truck)			
Sewer Tank services outside town			R227 plus R7 per km
Opening of blocked drain (Cost quote)	Cost quoted +10%	Cost quoted +10%	
New connections (Cost quote)	Cost quoted +10%	Cost quoted +10%	

4. REFUSE REMOVAL TARIFFS

DESCRIPTION	TARIFF 10/11 (VAT Incl.)		TARIFF 11/12 (VAT Incl.)
Households	R 20.19	4.8%	R 21.16
Businesses	R 34.87	4.8%	R 36.55

5. WATER TARIFFS

DESCRIPTION	TARIFF 10/11 (VAT Incl.)		TARIFF 11/12 (VAT Incl.)
<u>WATER CONSUMPTION</u>			
Basic Empty Stands	R 25.89	4.80%	R 27.13
Basic: Residential	R 11.27	4.80%	R 11.81
Basic: Business	R 16.10	4.80%	R 16.87
Basic: Old Age Home or Churches	-	4.80%	-
Usage Residential: 0-6 Kiloliter (Registered Indigents)	Free Basic	4.80%	Free Basic
Usage Residential: > 6 Kiloliter	R 5.91	4.80%	R 6.19
Usage: Uitspanning 0-192 Kiloliters	-	4.80%	-
Usage: Uitspanning >192 Kiloliters	R 5.91	4.80%	R 6.19
Usage: NG Church Old Age Home: 0-144 Kiloliters	-	4.80%	-
Usage: NG Church Old Age Home: >144 Kiloliters	R 5.91	4.80%	R 6.19
Usage: Business	R 5.91	4.80%	R 6.19
Departmental Usage	R 2.03	4.80%	R 2.13
<u>REPAIR WORK</u>			
Actual cost plus 20%			

6. CEMETERIES

DESCRIPTION	TARIFF 10/11 (VAT Incl.)		TARIFF 11/12 (VAT Incl.)
<u>Koster</u>			
Residents- Adults	R 265.00	4.80%	R 277.72
Residents- Children	R 265.00	4.80%	R 277.72
Non-residents	R 387.00	4.80%	R 405.58
<u>Reagile</u>			
Residents- Adults	R 106.00	4.80%	-
Residents- Children	R 106.00	4.80%	R 111.09
Non-residents-Adults	R 265.00	4.80%	R 277.72
Non-residents-Children	R 159.00	4.80%	R 166.63
<u>Swartruggens</u>			
Residents- Adults	R 265.00	4.80%	R 277.72
Residents- Children	R 265.00	4.80%	R 277.72
Non-residents	R 387.00	4.80%	R 405.58
<u>Borolelo</u>			
Residents- Adults	R 106.00	4.80%	R 111.09
Residents- Children	R 106.00	4.80%	R 111.09
Non-residents-Adults	R 265.00	4.80%	R 277.72
Non-residents-Children	R 159.00	4.80%	R 166.63
<u>Derby</u>			
Residents- Adults	R 85.00	4.80%	R 89.08
Residents- Children	R 69.00	4.80%	R 72.31
Non-residents	R 265.00	4.80%	R 277.72

Erection of tombstone- Apply to all towns (5% Cost of Tombstone)

7. TOWN HALL AND COMMUNITY FACILITIES

DESCRIPTION	TARIFF 10/11 (VAT Incl.)		TARIFF 11/12 (VAT Incl.)
Rental Town Hall (Main Koster)	R 207.00	4.80%	R 216.94
Rental Town Hall (Small Koster)	R 124.00	4.80%	R 129.95
Rental Reagile	R 207.00	4.80%	R 216.94
Rental Derby	R 207.00	4.80%	R 216.94
Borolelo	R 207.00	4.80%	R 216.94
Deposit Town Hall (Main Koster)	R 371.00	4.80%	R 388.81
Deposit Ton Hall (Small Koster)	R 223.00	4.80%	R 233.70
Deposit Reagile	R 371.00	4.80%	R 388.81
Deposit Derby	R 371.00	4.80%	R 388.81
Deposit Borolelo	R 371.00	4.80%	R 388.81

8. LAND USE APPLICATIONS

TYPE OF APPLICATION	FEE (all fees include VAT)	
APPLICATIONS IN TERMS OF THE TOWN PLANNING SCHEMES	2010/11	2011/12
Building line relaxation	R 250.00	R 260.00
Relaxation/ abolishment of servitude	R 250.00	R 260.00
Special Consent e.g. Secondary use rights	R 500.00	R 530.00
Written and other consents e.g. keeping of animals, home enterprise, shipping containers.	R 250.00	R 260.00
Relaxation of height if permitted by the Scheme	R 250.00	R 260.
Relaxation of parking requirements	R1 000.00	R 1050.00
Site Development Plan (SDP)	R 250.00	R 260.00
Zoning Certificate	R 0	R 25.00
APPLICATIONS IN TERMS OF THE TOWN PLANNING AND TOWNSHIPS ORDINANCE, 1986		
Application for establishment of a Township in terms of Section 96(2)	R 2 500.00(excludes advertising & proclamation notice)	R 2630.00 (excludes advertising & proclamation notice)
Phasing/Division (Section 99(1))	R 1 000.00 Per phase	R 1050.00 Per phase
Application for amendment of a Township (Section 96(4))	R 1 000.00	R 1050.00
Consent to Amendment of documents in terms of Section 100	R 1 000.00 (excludes advertisement)	R 1050.00 (excludes advertisement)
Application for Extension of Boundaries in terms of Section 88(1)	R1 000.00(excludes advertisement)	R 1050.00 (excludes advertisement)
Preparation of Town Planning Scheme/Amendment Scheme in terms of Section 125 Amendment	R 1 000.00(excludes promulgation)	R 1050.00 (excludes promulgation)
Amendment Scheme (rezoning) Section 56	R 1 000.00 (excludes advertisement and promulgation)	R 1050.00 (excludes advertisement and promulgation)
Amendment of Section 56 and Section 125 which necessitates re-advertisement	R 1 000.00(excludes advertisement and promulgation)	R 1050.00 (excludes advertisement and promulgation)
Application in terms of Section 62 or 63 including for the revoking of a provision in an approved scheme or revoking and approved scheme	R1 000.00 (excludes notice in Provincial Gazette)	R 1050.00 (excludes notice in Provincial Gazette)
Application in terms of Section 61(2) for further amendment of the Scheme	R 250.00	R 260.00
Incorporation of Township into Town Planning Scheme	R 500.00	R 530.00
Regulation 38 certificates	NO COST	-----
Subdivision of property – Section 92 (1)(a)	R 250.00+R 50.00 per/portion over 5	R 260.00 +R55 per/portion over 5

Application for amendment of subdivision plan or conditions of approval or cancellation or approval - Section 92(4)(a) and (b)	R 250.00	R 260.00
Consolidation of properties –Section 92 (1) (b)	R 250.00	R 260.00
Application for amendment of Consolidation Plan or conditions of approval or cancellation of approval – Section 92(4)(a) and (b)	R 250.00	R 260.00

FEES FOR COPIES

DOCUMENT TYPE	QUANTITY	FEE	QUANTITY	FEE(all fees include 14% VAT)	
				2010/11	2011/12
Photo copies: (For print and electronic reproductions): A4 A3	1-10 1-5	NO COST NO COST	11+ 6+	R 25.00 R 25.00	R 26.00 R 26.00
Copies of Town Planning Schemes, SDF's, Strategies, Portfolio or Tribunal and Council agendas.				R100.00 Fixed fee	R 105.00
Application forms, copies of Land Use Policies, brochures, Development information, pamphlets, etc				NO COST	-----

NOTES:

- All fees exclude advertising.
- All fees include 14% VAT.
- A further R2 000,00 is payable on submission of the application for the Municipality to give a promulgation notice of the notice of a township in Government, Gazette, unless the applicant is given permission to place the notices;
- The Principle of joint press notices is accepted although application fees must be paid in full for every application (applications cannot be jointly submitted, i.e. unique amendment scheme number for each application);
- If an application is submitted on Council land or where Council is the developer/co-developer, no application fees are payable;
- Application fees will only be returned if the application processing has not been initiated. Partial refunds will not be considered; and
- A general principle will still apply that the total fee will still be charged if the applicant is given permission to circulate the application externally.

9. SUNDRY TARIFFS

DESCRIPTION	TARIFF 10/11 (VAT Incl.)		TARIFF 11/12 (VAT Incl.)
Rental Town Hall (Main Koster)	R 207.00	4.80%	R 216.94
Rental Town Hall (Small Koster)	R 124.00	4.80%	R 129.95
Rental Reagile	R 207.00	4.80%	R 216.94
Rental Derby	R 207.00	4.80%	R 216.94
Borolelo	R 207.00	4.80%	R 216.94
Deposit Town Hall (Main Koster)	R 371.00	4.80%	R 388.81
Deposit Ton Hall (Small Koster)	R 223.00	4.80%	R 233.70
Deposit Reagile	R 371.00	4.80%	R 388.81
Deposit Derby	R 371.00	4.80%	R 388.81
Deposit Borolelo	R 371.00	4.80%	R 388.81

10. TREASURY

DESCRIPTION	TARIFF 10/11 (VAT Incl.)		TARIFF 11/12 (VAT Incl.)
Clearance Certificate	R 50.00	4.80%	R 52.40
Valuation Certificate	R 30.50	4.80%	R 31.96
Exceeding Fees	R 20.50	4.80%	R 21.48
Photostats A4 (Changed to the nearest 5 cents)	R 1.40	4.80%	R 1.47
Photostats A3	R 1.90	4.80%	R 1.99
Faxed received (per [age)	R 4.45	4.80%	R 4.66
Faxed send (per page)	R 4.45	4.80%	R 4.66

KGETLENGRIVIER LOCAL MUNICIPALITY

PROPERTY RATES BY-LAW

(FOR IMPLEMENTATION ON 1 JULY 2011)

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KGETLENGRIVIER LOCAL MUNICIPALITY

PROPERTY RATES BY-LAW

1. LEGISLATIVE CONTEXT

- 1.1 This by-law is mandated by Section 3 of the Local Government: Municipal Property Rates Act, 2004 (No. 6 of 2004), which specifically provides that a municipality must adopt a By-Law to give effect to the Rates by-law.
- 1.2 In terms of Section 229 of the Constitution of the Republic of South Africa, 1996 (No.108 of 1996), a municipality may impose rates on property.
- 1.3 In terms of the Local Government: Municipal Property Rates Act, 2004 (No. 6 of 2004) a local municipality in accordance with-
- a. Section 2(1), may levy a rate on property in its area; and
 - b. Section 2(3), must exercise its power to levy a rate on property subject to-
 - i. Section 229 and any other applicable provisions of the Constitution;
 - ii. the provisions of the Property Rates Act and the regulations promulgated in terms thereof; and
 - iii. the rates by-law.
- 1.4 In terms of Section 4 (1) (c) of the Local Government: Municipal Systems Act, 2000 (No. 32 of 2000), the Council of a municipality has the right to finance the affairs of the municipality by imposing, *inter alia*, rates on property.
- 1.5 In terms of Section 62(1)(f)(ii) of the Local Government: Municipal Finance Management Act, 2003 (No. 56 of 2003) the municipal manager must ensure that the municipality has and implements a rates by-law.
- 1.6 This By-Law must be read together with, and is subject to the stipulations of the Local Government: Municipal Property Rates Act, 2004 (No. 6 of 2004), any regulations promulgated in terms thereof as well as the Property Rates by-law as amended by Council.

2. DEFINITIONS

- 2.1 “**Act**” means the Local Government: Municipal Property Rates Act, 2004 (Act No. 6 of 2004);
- 2.2 “**Agent**”, in relation to the owner of a property, means a person appointed by the owner of the property-
- (a) to receive rental or other payments in respect of the property on behalf of the owner; or
 - (b) to make payments in respect of the property on behalf of the owner;

- 2.3 “**Agricultural purpose**” in relation to the use of a property, includes the use of a property for the purpose of eco-tourism or for the trading in or hunting of game;

- 2.4 **“Annually”** means once every financial year;
- 2.5 **“Category”**
- (a) in relation to property, means a category of properties determined in terms of Section 7 of this by-law; and
 - (b) in relation to owners of properties, means a category of owners determined in terms of Section 8 of this by-law.
- 2.6 **“Child-headed household”** means a household where the main caregiver of the said household is younger than 18 years of age. Child-headed household means a household headed by a child as defined in terms of section 28(3) of the Constitution.
- 2.7 **“Definitions, words and expressions”** as used in the Act are applicable to this by-law document where ever it is used;
- 2.8 **“Land reform beneficiary”**, in relation to a property, means a person who -
- (a) acquired the property through -
 - (i) the Provision of Land and Assistance Act, 1993 (Act No. 126 of 1993); or
 - (ii) the Restitution of Land Rights Act, 1994 (Act No. 22 of 1994);
 - (b) holds the property subject to the Communal Property Associations Act, 1996 (Act No 28 of 1996);
 - (c) holds or acquires the property in terms of such other land tenure reform legislation as may pursuant to section 25(6) and (7) of the Constitution (Act No.108 of 1996) be enacted after this Act has taken effect;
- 2.9 **“Land tenure right”** means an old order right or a new order right as defined in section 1 of the Communal Land Rights Act, 2004 (Act No.11 of 2004);
- 2.10 **“Municipality”** means the Local Municipality of Kgetlengrivier;
- 2.11 **“Newly Rateable property”** means any rateable property on which property rates were not levied before the end of the financial year preceding the date on which this Act took effect, excluding –
- (a) a property which was incorrectly omitted from a valuation roll and for that reason was not rated before that date; and
 - (b) a property identified by the Minister by notice in the Gazette where the phasing-in of a rate is not justified;
- 2.12 **“Owner”-**
- (a) in relation to a property referred to in paragraph (a) of the definition of “property”, means a person in whose name ownership of the property is registered;

- (b) in relation to a right referred to in paragraph (b) of the definition of “property”, means a person in whose name the right is registered;
- (c) in relation to a land tenure right referred to in paragraph (c) of the definition of “property”, means a person in whose name the right is registered or to whom it was granted in terms of legislation; or
- (d) in relation to public service infrastructure referred to in paragraph (d) of the definition of “property”, means the organ of state which owns or controls that public service infrastructure as envisaged in the definition of “publicly controlled”,

provided that a person mentioned below may for the purposes of this Act be regarded by a municipality as the owner of a property in the following cases:-

- (i) a trustee, in the case of a property in a trust excluding state trust land;
- (ii) an executor or administrator, in the case of a property in a deceased estate;
- (iii) a trustee or liquidator, in the case of a property in an insolvent estate or in
- (iv) a judicial manager, in the case of a property in the estate of a person under
- (v) a curator, in the case of a property in the estate of a person under curatorship;
- (vi) a person in whose name a usufruct or other personal servitude is registered, in the case of a property that is subject to a usufruct or other personal servitude;
- (vii) a lessee, in the case of a property that is registered in the name of a municipality and is leased by it; or
- (viii) a buyer, in the case of a property that was sold by a municipality and of which possession was given to the buyer pending registration of ownership in the name of the buyer;

2.13 **“Privately owned towns serviced by the owner”** means single properties, situated in an area not ordinarily being serviced by the municipality, divided through sub division or township establishment into (ten or more) full title stands and/ or sectional units and where all rates related services inclusive of installation and maintenance of streets, roads, sidewalks, lighting, storm water drainage facilities, parks and recreational facilities are installed at the full cost of the developer and maintained and rendered by the residents of such estate.

2.14 **“Property”** means -

- (a) immovable property registered in the name of a person, including, in the case of a sectional title scheme, a sectional title unit registered in the name of a person;
- (b) a right registered against immovable property in the name of a person, excluding a mortgage bond registered against the property;
- (c) a land tenure right registered in the name of a person or granted to a person in terms of legislation; or
- (d) public service infrastructure.

2.15 **“Public service infrastructure”** means publicly controlled infrastructure of the following kinds:

- (a) national, provincial or other public roads on which goods, services or labour move across a municipal boundary;

- (b) water or sewer pipes, ducts or other conduits, dams, water supply reservoirs, water treatment plants or water pumps forming part of a water or sewer scheme serving the public;
- (c) power stations, power substations or power lines forming part of an electricity scheme serving the public;
- (d) gas or liquid fuel plants or refineries or pipelines for gas or liquid fuels, forming part of a scheme for transporting such fuels;
- (e) railway lines forming part of a national railway system;
- (f) communication towers, masts, exchanges or lines forming part of a communications system serving the public;
- (g) runways or aprons at national or provincial airports;
- (h) breakwaters, sea walls, channels, basins, quay walls, jetties, roads, railway or infrastructure used for the provision of water, lights, power, sewerage or similar services of ports, or navigational aids comprising lighthouses, radio navigational aids, buoys, beacons or any other device or system used to assist the safe and efficient navigation of vessels;
- (i) any other publicly controlled infrastructure as may be prescribed; or
- (j) rights of way, easements or servitudes in connection with infrastructure mentioned in paragraphs (a) to (i).

2.16 “**Residential property**” means improved property that:-

- (a) is used predominantly (60% or more) for residential purposes including any adjoining property registered in the name of the same owner and used together with such residential property as if it were one property. Any such grouping shall be regarded as one residential property for rate rebate or valuation reduction purposes.
- (b) Is a unit registered in terms of the Sectional Title Act and used predominantly for residential purposes.
- (c) Is owned by a share-block company and used solely for residential purposes.
- (d) Is a residence used for residential purposes situated on property used for or related to educational purposes.
- (e) Retirement schemes and life right schemes used predominantly (60% or more) for residential purposes.

And specifically exclude hostels, flats, old age homes, guest houses and vacant land irrespective of its zoning or intended use.

2.17 “**Rural communal settlements**” means the residual portion of rural communal land excluding identifiable and rateable entities within the property and excluding State Trust Land and land reform beneficiaries as defined in the Act.

2.18 “**state trust land**” means land owned by the state-

- (a) in trust for persons communally inhabiting the land in terms of a traditional system of land tenure;
- (b) over which land tenure rights were registered or granted; or
- (c) which is earmarked for disposal in terms of the Restitution of Land Rights Act, 1994 (Act No. 22 of 1994).

3. POLICY PRINCIPLES

- 3.1 Rates are levied in accordance with the Act as an amount in the rand based on the market value of all rateable property contained in the municipality's valuation roll and supplementary valuation roll.
- 3.2 As allowed for in the Act, the municipality has chosen to differentiate between various categories of property and categories of owners of property as contemplated in clause 7 and 8 of this by-law. Some categories of property and categories of owners are granted relief from rates. The municipality however does not grant relief in respect of payments for rates to any category of owners or properties, or to owners of properties on an individual basis.
- 3.3 There would be no phasing in of rates based on the new valuation roll, except as prescribed by legislation and in accordance with clause 16 of this by-law.
- 3.4 In accordance with section 3(3) of the Act, the rates by-law for the municipality is based on the following principles:
- (a) Equity
The municipality will treat all ratepayers with similar properties the same.
 - (b) Affordability
The ability of a person to pay rates will be taken into account by the municipality. In dealing with the poor/indigent ratepayers the municipality will provide relief measures through exemptions, reductions, rebates and cross subsidy from the equitable share allocation.
 - (c) Sustainability
Rating of property will be implemented in a way that:
 - i. it supports sustainable local government by providing a stable and buoyant revenue source within the discretionary control of the municipality;
 - ii. Supports local, social and economic development; and
 - iii. Secures the economic sustainability of every category of ratepayer.
 - (d) Cost efficiency
Rates will be based on the value of all rateable property and will be used to fund community and subsidised services after taking into account profits generated on trading (water, electricity) and economic (refuse removal, sewerage disposal) services and the amounts required to finance exemptions, rebates, reductions and phasing-in of rates as approved by the municipality from time to time.

4. SCOPE OF THE BY-LAW

- 4.1 This by-law document guides the annual setting (or revision) of property rates tariffs. It does not necessarily make specific property rates tariff proposals. Details pertaining to the applications of the various property rates tariffs are annually published in the Provincial Gazette and the municipality's schedule of tariffs, which must be read in conjunction with this by-law.

5. APPLICATION OF THE BY-LAW

- 5.1 In imposing the rate in the rand for each annual operating budget component, the municipality shall grant exemptions, rebates and reductions to the categories of properties and categories of owners as allowed for in this by-law document.

6. PRINCIPLES APPLICABLE TO FINANCING OF SERVICES

- 6.1 The municipal manager or his/her nominee must, subject to the guidelines provided by the National Treasury and the Executive Committee of the municipality, make provision for the following classification of services:-

(a) Trading services

- i. Water
- ii. Electricity

(b) Economic services

- i. Refuse removal.
- ii. Sewerage disposal.

(c) Community and subsidised services

These include all those services ordinarily being rendered by the municipality excluding those mentioned in 6.1 (a) and (b).

- 6.2 Trading and economic services as referred to in clauses (a) and (b) must be ring fenced and financed from service charges while community and subsidised services referred to in clause (c) will be financed from surpluses on trading and economic services, regulatory fees, rates and rates related income.

7. CATEGORIES OF PROPERTY

- 7.1 Different rates may be levied in respect of the following categories of rateable properties and such rates will be determined on an annual basis during the compilation of the annual budget:-

7.1.1 Residential properties;

7.1.2 Industrial properties;

7.1.3 Business properties;

- 7.1.4 Agricultural properties;
 - 7.1.5 Small Holdings;
 - 7.1.6 State owned properties;
 - 7.1.7 Municipal properties;
 - 7.1.8 Public service infrastructure referred to in the Act;
 - 7.1.9 Properties owned by Public Benefit Organisations;
 - 7.1.10 Churches;
 - 7.1.11 Educational;
 - 7.1.12 Privately Owned Towns;
 - 7.1.13 Vacant Stands.
- 7.2 In determining the category of a property referred to in 7.1 the municipality shall take into consideration the dominant use of the property, regardless the formal zoning of the property.
- 7.3 Properties used for multiple purposes shall be categorised and rated as provided for in section 9 of the Act and as more fully described in clause 9 of this by-law.

8. CATEGORIES OF OWNERS

- 8.1 For the purpose of granting exemptions, reductions and rebates in terms of clause 11, 12 and 13 respectively the following categories of owners of properties are determined:-
- (a) Those owners who qualify and who are registered as indigents in terms of the adopted indigent policy of the municipality;
 - (b) Those owners who do not qualify as indigents in terms of the adopted indigent policy of the municipality but whose total monthly income is less than the amount annually determined by the municipality in its budget;
 - (c) Owners of property situated within an area affected by-
 - i. a disaster within the meaning of the Disaster Management Act, 2002 (Act No. 57 of 2002); or
 - ii. serious adverse social or economic conditions.
 - (d) Owners of residential properties with a market value below the amount as determined annually by the municipality in its budget;
 - (e) Owners of properties situated in “privately owned towns” as referred to in clause 13.1 (b);

- (f) Owners of agricultural properties as referred to in clause 13.1 (c); and
- (g) Child headed families where any child of the owner or child who is a blood relative of the owner of the property, is responsible for the care of siblings or parents of the household.

9. PROPERTIES USED FOR MULTIPLE PURPOSES

- 9.1 Rates on properties used for multiple purposes will be levied in accordance with the “dominant use of the property”.

10. DIFFERENTIAL RATING

- 10.1 Criteria for differential rating on different categories of properties will be according to:-
- (a) The nature of the property including its sensitivity to rating e.g. agricultural properties used for agricultural purposes.
 - (b) The promotion of local, social and economic development of the municipality.
- 10.2 Differential rating among the various property categories will be done by way of:-
- (a) setting different cent amount in the rand for each property category; and
 - (b) by way of reductions and rebates as provided for in this by-law document.

11. EXEMPTIONS AND IMPERMISSIBLE RATES

- 11.1 The following categories of property are exempted from rates:-

(a) Municipal properties

Municipal properties are exempted from paying rates as it will increase the rates burden or service charges to property owners or consumers. However, where municipal properties are leased, the lessee will be responsible for the payment of determined assessment rates in accordance with the lease agreement.

(b) Residential properties

All residential properties with a market value of less than the amount as annually determined by the municipality are exempted from paying rates. **For the 2011/2012 financial year the maximum reduction is determined as R17 000.** The impermissible rates of R15 000 contemplated in terms of section 17(1) (h) of the Property Rates Act is included in the amount referred to above as annually determined by the municipality.

(c) Public Service Infrastructure

Is exempted from paying rates as allowed for in the Act as they provide essential services to the community.

(d) Right registered against a property

Any right registered against a property as defined in clause 2.14(b) of this by-law is exempted from paying rates.

11.2 Exemptions in clause 11.1 will automatically apply and no application is thus required.

11.3 Impermissible Rates: In terms of section 17(1) of the Property Rates Act the municipality may, inter alia, not levy a rate:-

- (a) On those parts of a special nature reserve, national park or nature reserve within the meaning of the National Environmental Management: Protected Areas Act, 2003 (Act No. 57 of 2003) or of a national botanical garden within the meaning of the National Environmental Management: Biodiversity Act, 2004, which are not developed or used for commercial, business, or residential agricultural purposes.
- (b) On mineral rights within the meaning of paragraph (b) of the definition of "property" in section 1 of the Act.
- (c) On a property belonging to a land reform beneficiary or his or her heirs, provided that this exclusion lapses ten years from the date on which such beneficiary's title was registered in the office of the Registrar of Deeds.
- (d) On a property registered in the name of and used primarily as a place of public worship by a religious community, including an official residence registered in the name of that community which is occupied by an office-bearer of that community who officiates at services at that place of worship.

11.4 Public Benefit Organisations (PBO's)

Taking into account the effects of rates on PBOs performing a specific public benefit activity and if registered in terms of the Income Tax Act, 1962 (No 58 of 1962) for tax reduction because of those activities, Public Benefit Organizations may apply for the exemption of property rates. Public Benefit Organizations may include, inter alia:-

- (a) *Welfare and humanitarian*
For example PBOs providing disaster relief.
- (b) *Health Care*
For example PBO's providing counselling and treatment of persons afflicted with HIV and AIDS including the care of their families and dependents in this regard.
- (c) *Education and development*
For example PBO's providing early childhood development services for pre-school children.
- (d) *Sporting bodies*
Property used by an organization for sporting purposes on a non-professional basis:
- (e) *Cultural institutions*
Property used for purposes declared in terms of the Cultural Institutions Act, Act 29 of 1969 or the Cultural Institutions Act, Act 66 of 1989.

- (f) *Museums, libraries, art galleries and botanical gardens*
Property registered in the name of private persons, open to the public and not operated for gain.
 - (g) *Animal welfare*
Property owned or used by organizations whose exclusive aim is to protect birds, reptiles and animals on a not-for-gain basis.
 - (h) *Cemeteries and crematoriums*
Property used for cemeteries and crematoriums.
 - (i) *Welfare institutions*
Properties used exclusively as an orphanage, non-profit retirement villages, old age homes or benevolent/charitable institutions, including workshops used by the inmates, laundry or cafeteria facilities; provided that any profits from the use of the property are used entirely for the benefit of the institution and/or to charitable purposes within the municipality.
 - (j) *Charitable institutions*
Property owned or used by institutions or organizations whose aim is to perform charitable work on a not-for-gain basis.
- 11.5 All possible benefiting organisations in clause 11.4 must apply annually for exemptions. All applications must be addressed in writing to the municipality by 31 August for the financial year in respect of which the rate is levied. If the exemption applied for is granted the exemption will apply for the full financial year.
- 11.6 Public benefit organisations must attach a SARS tax exemption certificate issued by the South African Revenue Services (SARS) as contemplated in Part 1 of the Ninth Schedule of the Income Tax Act, 1962 (No 58 of 1962) to all applications.
- 11.7 The municipality retains the right to refuse the exemption if the details supplied in the application form were incomplete, incorrect or false.
- 11.8 The extent of the exemptions implemented in terms of clauses 11.1 to 11.4 must annually be determined by the municipality and included in the annual budget.

12. REDUCTIONS

- 12.1 Reductions as contemplated in section 15 of the Act will be considered on an *ad-hoc* basis in the event of the following:-
- 12.1.1 Partial or total destruction of a property.
 - 12.1.2 Disasters as defined in the Disaster Management Act, 2002 (Act 57 of 2002).
- 12.2 The following conditions shall be applicable in respect of clause 12.1:-

12.2.1 The owner referred to in clause 12.1.1 shall apply in writing for a reduction and the onus will rest on such applicant to prove to the satisfaction of the municipality that his property has been totally or partially destroyed. He/ she will also have to indicate to what extent the property can still be used and the impact on the value of the property.

12.2.2 Property owners will only qualify for a rebate if affected by a disaster as referred to in the Disaster Management Act, 2002 (Act No. 57 of 2002).

12.2.3 A maximum reduction to be determined on an annual basis shall be allowed in respect of both clauses 12.1.1 and 12.1.2. For the 2011/2012 financial year the maximum reduction is determined as 80%.

12.2.4 An ad-hoc reduction will not be given for a period in excess of 6 months, unless the municipality gives further extension on application.

12.2.5 If rates were paid in advance prior to granting of a reduction the municipality will give credit to such an owner as from the date of reduction until the date of lapse of the reduction or the end of the period for which payment was made whichever occurs first.

13. REBATES

13.1. Categories of property

(a) Business, commercial and industrial properties

- i. The municipality may grant rebates to rateable enterprises that promote local, social and economic development in its area of jurisdiction. The following criteria will apply:-
 - a. job creation in the municipal area;
 - b. social upliftment of the local community; and
 - c. creation of infrastructure for the benefit of the community.
- ii. All applications must be addressed in writing to the municipality by 31 August for the financial year in respect of which the rate is levied. If the rebate applied for is granted the rebate will apply for the full financial year. For the 2011/2012 financial year the rebate to the maximum not exceeding 10% will be applicable.
- iii. The municipality retains the right to refuse the rebate if the details supplied in the application form were incomplete, incorrect or false.

(b) Privately owned towns serviced by the owner

The municipality grants an additional rebate, to be determined on an annual basis, which applies to privately owned towns serviced by the owner qualifying as defined in clause 2.13 of this by-law. All applications must be addressed in writing to the municipality by 31 August for the financial year in respect of which the rate is levied. If the rebate applied for is granted the rebate will apply for the full financial year. For the 2011/2012 financial year the rebate is determined as 10%.

(c) Agricultural property rebate

- i. When considering the criteria to be applied in respect of any exemptions, rebates and reductions on any properties used for agricultural purposes the municipality must take into account:-
 - a. the extent of rates related services rendered by the municipality in respect of such properties.
 - b. the contribution of agriculture to the local economy.
 - c. the extent to which agriculture assists in meeting the service delivery and developmental objectives of the municipality; and
 - d. the contribution of agriculture to the social and economic welfare of farm workers.
- ii. In terms of section 84 of the Act the Minister for Provincial and Local Government, and in concurrence with the Minister of Finance as required through section 19 of the Act, may determine that a rate levied by the Council on a category of non residential property may not exceed the ratio to the rate on residential property. In the absence of any such promulgation the municipality will apply the standard ratio for agricultural properties as 1:0.25 (75% rebate on the tariff for residential properties). For the 2011/2012 financial year the minister has promulgated a ratio of 1:0.25.
- iii. Rebates based on the extent of municipal services provided to agricultural properties will be as follows;
 - a. 7.5% rebate, if there are no municipal roads next to the property
 - b. 7.5% rebate, if there is no municipal sewerage to the property
 - c. 7.5% rebate, if there is no municipal electricity
 - d. 20% rebate, if water is not supplied by the municipality
 - e. 7.5% rebate, if there is no refuse removal that is provided by the municipal
- iv. An additional rebate (based on the total property value) of maximum 20% will be granted by the municipality in respect of the following:-
 - a. 5% for the provision of accommodation in a permanent structure to farm workers and their dependants.
 - b. 5% if these residential properties are provided with potable water.
 - c. 5% if the farmer for the farm workers electrifies these residential properties.
 - d. 5% for the provision of land for burial to own farm workers or educational or recreational purposes to own farm workers as well as people from surrounding farms.
- v. The granting of additional rebates is subject to the following:-

- a. All applications must be addressed in writing to the municipality by 31 August indicating how service delivery and development obligations of the municipality and contribution to the social and economic welfare of farm workers were met. This application will be required as a once off requirement. Any new applications for the 2011/2012 financial year and onwards must be addressed in writing to the municipality by 31 August for the financial year in respect of which the rate is levied. If the rebate applied for is granted the rebate will apply for the full financial year and such application again regarded as a once off requirement.
- b. Council reserves the right to send officials or its agents to premises/households receiving relief on annual basis for the purpose of conducting an on-site audit of the details supplied. The onus also rests on recipients to immediately notify Council of any changes in their original application.
- c. The municipality retains the right to refuse the exemption if the details supplied in the application form were incomplete, incorrect or false.
- vi. No other rebates will be granted to properties that qualify for the agricultural rebate. For the avoidance of doubt, properties that qualify for the agricultural rebate will not be entitled to the residential rate exemption as set out in clause 11.1(b) of this by law.

13.2 Categories of owners

Indigent owners and child headed families will receive a 100% rebate from payment of property tax:-

(a) Indigent owners

Owners who qualify and who are registered as indigents in terms of the adopted indigent policy of the municipality, regardless of the value of the property, will receive a 100% rebate from payment of property tax. If qualifying in terms of the indigent policy this 100% rebate will automatically apply and no further application is thus required by the owner.

(b) Child headed families

- i. Families headed by children will receive a 100% rebate for paying property tax, according to monthly household income. To qualify for this rebate the head of the family must:-
 - a. occupy the property as his/her normal residence;
 - b. not be older than 18 years of age;
 - c. still be a scholar or jobless; and
 - d. be in receipt of a total monthly income from all sources not exceeding an amount to be determined annually by the Municipality. For the 2011/2012 financial year this amount is determined as R 3 000.00 per month.
- ii. The family head must apply on a prescribed application form for registration as a child headed household and must be assisted by the municipality with completion of the application form. If qualifying, this rebate will automatically apply and no further application is thus required.

(c) Retired and Disabled Persons Rate Rebate

- i. Retired and Disabled Persons, not registered as indigents, qualify for special rebates according to monthly household income. To qualify for the rebate a property owner must:-
 - a. occupy the property as his/her normal residence;
 - b. be at least 60 years of age or in receipt of a disability pension from the Department of Welfare and Population Development;
 - c. be in receipt of a total monthly income from all sources as annually determined by the municipality (including income of spouses of owner);
 - d. not be the owner of more than one property; and
 - e. provided that where the owner is unable to occupy the property due to no fault of his/her own, the spouse or minor children may satisfy the occupancy requirement.
- ii. Property owners must apply on a prescribed application form for a rebate as determined by the municipality. Applications must be accompanied by-
 - a. a certified copy of the identity document or any other proof of the owners age which is acceptable to the municipality;
 - b. sufficient proof of income of the owner and his/her spouse;
 - c. an affidavit from the owner;
 - d. if the owner is a disabled person proof of a disability pension payable by the state must be supplied; and
 - e. if the owner has retired at an earlier stage for medical reasons proof thereof must be submitted.
- iii. All applications must be addressed in writing to the municipality by 31 August for the financial year in respect of which the rate is levied. If the rebate applied for is granted the rebate will apply for the full financial year. For the 2011/2012 financial year the total monthly income and corresponding rebate is determined as follows:-
 - a. R0 to R1 800 per month - 100%.
 - b. R1 801 to R3 000 per month - 40%.
 - c. R3 001 to R5 000 per month - 15%.
- iv. The municipality retains the right to refuse the exemption if the details supplied in the application form were incomplete, incorrect or false.

13.3 Properties with a market value below a prescribed valuation level of a value to be determined annually by the Municipality may, instead of a rate being determined on the market value, be rated a uniform fixed amount per property.

13.4 The extent of the rebates granted in terms of 13.1 and 13.2 must annually be determined by the municipality and included in the annual budget.

14. PAYMENT OF RATES

14.1 The rates levied on the properties shall be payable:-

- (a) on a monthly basis; or

- (b) annually, before 30 September each year.
- 14.2 Ratepayers may choose paying rates annually in one instalment on or before 30 September each year. If the owner of property that is subject to rates, notify the municipal manager or his/her nominee in writing not later than 30 June in any financial year, or such later date in such financial year as may be determined by the municipality that he/she wishes to pay all rates annually, such owner shall be entitled to pay all rates in the subsequent financial year and each subsequent financial year annually until such notice is withdrawn by him/her in a similar manner.
- 14.3 The municipality shall determine the due dates for payments in monthly installments and the single annual payment and this date shall appear on the accounts forwarded to the owner/ tenant/ occupants/ agent.
- 14.4 Interest on arrears rates, whether payable on or before 30 September or in equal monthly instalments, shall be calculated in accordance with the provisions of the Credit Control and Debt Collection Policy of the Municipality.
- 14.5 If a property owner who is responsible for the payment of property rates in terms of this by-law fails to pay such rates in the prescribed manner, it will be recovered from him/her in accordance with the provisions of the Credit Control and Debt Collection By-law of the Municipality.
- 14.6 Arrears rates shall be recovered from tenants, occupiers and agents of the owner, in terms of section 28 and 29 of the Act and the Municipality's credit control and debt collection by-law.
- 14.7 Where the rates levied on a particular property have been incorrectly determined, whether because of an error or omission on the part of the municipality or false information provided by the property owner concerned or a contravention of the permitted use to which the property concerned may be put, the rates payable shall be appropriately adjusted for the period extending from the date on which the error or omission is detected back to the date on which rates were first levied in terms of the current valuation roll.
- 14.8 In addition, where the error occurred because of false information provided by the property owner or as a result of a contravention of the permitted use of the property concerned, interest on the unpaid portion of the adjusted rates payable shall be levied at the maximum rate permitted by prevailing legislation.

15. ACCOUNTS TO BE FURNISHED

- 15.1 The municipality will furnish each person liable for the payment of rates with a written account, which will specify:-
- (i) the amount due for rates payable,
 - (ii) the date on or before which the amount is payable,
 - (iii) how the amount was calculated,

- (iv) the market value of the property, and
- (v) rebates, exemptions, reductions or phasing-in, if applicable.

- 15.2 A person liable for payment of rates remains liable for such payment, whether or not such person has received a written account from the municipality. If the person concerned has not received a written account, he/she must make the necessary enquiries with the municipality.
- 15.3 In the case of joint ownership the municipality shall consistently, in order to minimise costs and unnecessary administration, recover rates from one of the joint owners only provided that it takes place with the consent of the owners concerned.

16. PHASING IN OF RATES

- 16.1 The rates to be levied on newly rateable property shall be phased in as explicitly provided for in section 21 of the Act.
- 16.2 The phasing-in discount on the properties referred to in section 21(5) of the Local Government Municipal Property Rates Act 2004,(Act No.6 of 2004) for the extension of the compulsory phasing-in period of newly rated properties shall be as follows:-
- First year : 100% of the relevant rate;
 - Second year : 80% of the relevant rate;
 - Third year : 60% of the relevant rate;
 - Forth year : 40% of the relevant rate;
 - Fifth year : 20% of the relevant rate; and
 - Sixth year : 0% for the relevant rate.
- 16.3 No rates shall be levied on newly rateable properties that are owned and used by organisations conducting activities that are beneficial to the public and that are registered in terms of the Income Tax Act for those activities, during the first year. The phasing-in discount on these properties shall be as indicated below:-
- First year : 100% of the relevant rate;
 - Second year : 75% of the relevant rate;
 - Third year : 50% of the relevant rate; and
 - Fourth year : 25% of the relevant rate.

17. SPECIAL RATING AREAS

- 17.1 The municipality will, whenever deemed necessary, by means of a formal Council resolution determine special rating areas in consultation with the relevant communities as provided for in section 22 of the Act.

- 17.2 The following matters shall be attended to in consultation with the committee referred to in clause 17.3 whenever special rating is being considered:-
- 17.2.1 Proposed boundaries of the special rating area;
 - 17.2.2 Statistical data of the area concerned giving a comprehensive picture of the number of erven with its zoning, services being rendered and detail of services such as capacity, number of vacant erven and services that are not rendered;
 - 17.2.3 Proposed improvements clearly indicating the estimated costs of each individual improvement;
 - 17.2.4 Proposed financing of the improvements or projects;
 - 17.2.5 Priority of projects if more than one;
 - 17.2.6 Social economic factors of the relevant community;
 - 17.2.7 Different categories of property;
 - 17.2.8 The amount of the proposed special rating;
 - 17.2.9 Details regarding the implementation of the special rating;
 - 17.2.10 The additional income that will be generated by means of this special rating.
- 17.3 A committee consisting of 6 members of the community residing within the area affected will be established to advise and consult the municipality in regard to the proposed special rating referred to above. This committee will be elected by the inhabitants of the area concerned who are 18 years of age or older. No person under the age of 18 may be elected to serve on the committee. The election of the committee will happen under the guidance of the Municipal Manager. The committee will serve in an advisory capacity only and will have no decisive powers.
- 17.4 The required consent of the relevant community shall be obtained in writing or by means of a formal voting process under the chairmanship of the Municipal Manager. A majority shall be regarded as 50% plus one of the households affected. Each relevant household within the special rating area, i.e. every receiver of a monthly municipal account, will have 1 vote only.
- 17.5 In determining the special additional rates the municipality shall differentiate between different categories as referred to in clause 7 of this by-law.
- 17.6 The additional rates levied shall be utilised for the purpose of improving or upgrading of the specific area only and not for any other purposes whatsoever.

- 17.7 The municipality shall establish separate accounting and other record-keeping systems for the identified area and the households concerned shall be kept informed of progress with projects and financial implications on an annual basis.

18. FREQUENCY OF VALUATION

- 18.1 The municipality shall prepare a new valuation roll at least every 4 (four) years.
- 18.2 In accordance with the Act the municipality, under exceptional circumstances, may request the MEC for Local Government and Housing in the province to extend the validity of the valuation roll to 5 (five) years.
- 18.3 Supplementary valuations may be done on a continual basis but at least on an annual basis.

19. COMMUNITY PARTICIPATION

- 19.1 Before the municipality adopts the rates by-law, the municipal manager will follow the process of community participation envisaged in chapter 4 of the Municipal Systems Act and comply with the following requirements:-
- 19.1.1 Council must establish appropriate mechanisms, processes and procedures to enable the local community to participate and will provide for consultative sessions with locally recognised community organisations and where appropriate traditional authorities.
- 19.1.2 Conspicuously display the draft rates by-law for a period of at least 30 days (municipality to include period decided on) at the municipality's head and satellite offices, libraries and on the website.
- 19.1.3 Advertise in the media a notice stating that the draft rates by-law has been prepared for submission to council and that such policy is available at the various municipal offices and on the website for public inspection.
- 19.1.4 Property owners and interest persons may obtain a copy of the draft policy from the municipal offices during office hours at a fee as determined by Council as part of its annual tariffs. Property owners and interest persons are invited to submit written comments or representations to the municipality within the specified period in the notice.
- 19.1.5 Council will consider all comments and/or representations received when considering the finalisation of the rates by-law.
- 19.1.6 The municipality will communicate the outcomes of the consultation process in accordance with section 17 of the Municipal Systems Act 32 of 2000.

20. REGISTER OF PROPERTIES

- 20.1 The municipality will compile and maintain a register in respect of all properties situated within the jurisdiction of the municipality. The register will be divided into Part A and Part B.

- 20.2 Part A of the register will consist of the current valuation roll of the municipality and will include all supplementary valuations done from time to time.
- 20.3 Part B of the register will specify which properties on the valuation roll or any supplementary valuation roll are subject to:
- i. Exemption from rates in terms of section 15 of the Property Rates Act,
 - ii. Rebate or reduction in terms of section 15,
 - iii. Phasing-in of rates in terms of section 21, and
 - iv. Exclusions as referred to in section 17.
- 20.4 The register will be open for inspection by the public at the municipal main offices during office hours or on the website of the municipality.
- 20.5 The municipality will update Part A of the register during the supplementary valuation process.
- 20.6 Part B of the register will be updated on an annual basis as part of the implementation of the municipality's annual budget.

21. BY-LAWS TO GIVE EFFECT TO THE RATES BY-LAW

- 21.1 The municipality will adopt By-laws to give effect to the implementation of the Rates by-law and such By-laws may differentiate between different categories of properties and different categories of owners of properties liable for the payment of rates. Thus, this by-law gives effect to the Property Rates by-law as amended by Council.

22. REGULAR REVIEW PROCESSES

- 22.1 The rates by-law must be reviewed on an annual basis to ensure that it complies with the Municipality's strategic objectives as contained in the Integrated Development Plan and recent legislation.

23. ENFORCEMENT/IMPLEMENTATION AND ENQUIRIES

- 23.1 This by-law has been approved by the Municipality in terms of Council resolution dated 24 June 2011 and takes effect on 1 July 2011.